

ATTESTATION ENGAGEMENT

Clerk of the Court
of Common Pleas
Beaver County, Pennsylvania
For the Period
January 1, 2009 to December 31, 2012

December 2014



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas, Beaver County, Pennsylvania (County Officer), for the period January 1, 2009 to December 31, 2012, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). The County Office's management is responsible for this Statement. Our responsibility is to express an opinion on this Statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(b) of *The Fiscal Code* to audit the accounts of each county officer to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2009 to December 31, 2012, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness.

- Receipts Were Not Always Deposited On The Same Day As Collected - Clerk Of The Court Of Common Pleas - Recurring.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the County Office's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion.

Independent Auditor's Report (Continued)

We are concerned with the Clerk of the Court of Common Pleas' failure to correct a previously reported finding regarding inadequate internal control over receipts not being deposited the same day as collected.. This significant deficiency in internal control increases the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendation and corrective action noted in this examination report.

This report is intended solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy extended by the Clerk of the Court of Common Pleas, Beaver County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale
Auditor General

August 1, 2014

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CLERK OF THE COURT OF COMMON PLEAS
 BEAVER COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2009 TO DECEMBER 31, 2012

Receipts:

Department of Transportation		
Title 75 Fines	\$	97,557
Department of Revenue Court Costs		75,833
Crime Victims' Compensation Costs		205,961
Crime Commission Costs/Victim Witness Services Costs		130,151
Domestic Violence Costs		11,263
Emergency Medical Services Fines		14,040
DUI - ARD/EMS Fees		29,942
CAT/MCARE Fund Surcharges		139,061
Judicial Computer System/Access to Justice Fees		90,735
Offender Supervision Fees		1,047,277
Constable Service Surcharges		1,240
Criminal Laboratory Users' Fees		26,134
Probation and Parole Officers' Firearm Education Costs		16,700
Substance Abuse Education Costs		140,043
Office of Victims' Services Costs		69,067
Miscellaneous State Fines and Costs		<u>258,784</u>
 Total receipts (Note 2)		 2,353,788
 Disbursements to Commonwealth (Note 3)		 <u>(2,353,788)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2009 to December 31, 2012	 \$	 <u><u>-</u></u>

Notes to the Statement of Receipts and Disbursements are an integral part of this report.

CLERK OF THE COURT OF COMMON PLEAS
BEAVER COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases filed with the Clerk of the Court of Common Pleas' Office.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ <u>2,353,788</u>
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4. Balance Due Commonwealth (County) For The Period January 1, 2009 To December 31, 2012

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

5. County Officers Serving During Examination Period

Judy R. Enslin served as the Clerk of the Court of Common Pleas for the period January 1, 2009 to December 31, 2012.

CLERK OF THE COURT OF COMMON PLEAS
BEAVER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

Finding - Receipts Were Not Always Deposited On The Same Day As Collected - Clerk Of The Court Of Common Pleas- Recurring

We cited the office for receipts not always being deposited on the same day as collected in the prior two examinations, with the most recent for the period January 1, 2006 to December 31, 2008. Our current examination found that the office did not correct this issue. Once again, our examination disclosed that receipts were not always deposited on the same day as collected. Of 45 receipts tested, 27 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from two days to five days.

This condition existed because the office ignored our prior examination recommendation and failed to establish and implement an adequate system of internal controls over the safeguarding of daily collections.

Good internal accounting controls require that all monies collected be deposited in the bank intact on the same day as collected.

Without a good system of internal control over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We strongly recommend that the Clerk deposit all receipts at the end of each day as required by good internal accounting controls.

Management's Response

The Clerk of the Court of Common Pleas responded as follows:

Although the Clerk of Courts Office does in fact make daily bank deposits both in person and by EFT, due to end of day receipts there were times when those receipts were not deposited the next day, but held for deposit with the "next day" receipts. To correct this finding, I have created a policy to do a "soft close" at 4 p.m. daily followed by the closing and balancing of drawers at 4:30 p.m. ensuring all receipts for the current receipt day will be deposited the following business day.

CLERK OF THE COURT OF COMMON PLEAS
BEAVER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding - Receipts Were Not Always Deposited On The Same Day As Collected - Clerk Of
The Court Of Common Pleas - Recurring (Continued)**

Auditor's Conclusion

This is a recurring finding. It is imperative that the office take all steps necessary to comply with our recommendation. Management should ensure that all monies collected are receipted and deposited by the end of each day. During our next examination we will determine if the office complies with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS
BEAVER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2009 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole

The Honorable Judy R. Enslin	Clerk of the Court of Common Pleas
The Honorable David A. Rossi	Controller
The Honorable Tony Amadio	Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.