



CLERK OF THE COURT OF COMMON PLEAS

SNYDER COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JUNE 6, 2005 TO DECEMBER 31, 2008

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Independent Auditor's Report

Mr. C. Daniel Hassell
Acting 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, Snyder County, Pennsylvania (County Officer), for the period June 6, 2005 to December 31, 2008, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. 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. An examination includes 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 ended December 31, 2008, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statement and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. 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 the internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officer's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officer's Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over reporting on the Statement:

- Bank Deposit Slips Were Not Always Validated.

Independent Auditor's Report (Continued)

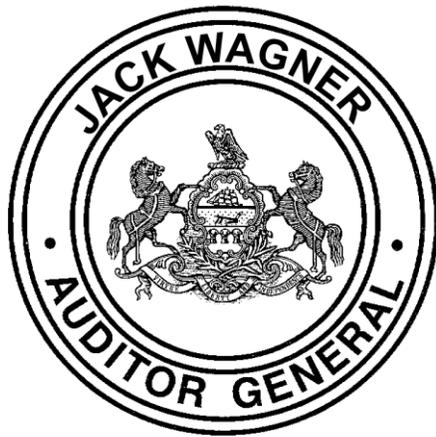
A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the significant deficiency described above to be a material weakness.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

January 20, 2010

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS
 SNYDER COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JUNE 6, 2005 TO DECEMBER 31, 2008

Receipts:

Department of Transportation		
Title 75 Fines	\$	129,336
Department of Revenue Court Costs		16,905
Crime Victims' Compensation Costs		65,652
Crime Commission Costs/Victim Witness Services Costs		41,811
Domestic Violence Costs		4,762
Emergency Medical Services Fines		5,702
DUI - ARD/EMS Fees		5,021
CAT/MCARE Fund Surcharges		35,662
Judicial Computer System/Access to Justice Fees		20,244
Offender Supervision Fees		286,870
Constable Service Surcharges		488
Criminal Laboratory Users' Fees		5,002
Probation and Parole Officers' Firearm Education Costs		4,562
Substance Abuse Education Costs		46,626
Office of Victims' Services Costs		2,866
Miscellaneous State Fines and Costs		<u>38,153</u>
 Total receipts (Note 2)	 \$	 709,662
 Disbursements to Commonwealth (Note 3)		 <u>(709,662)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period June 6, 2005 to December 31, 2008	 \$	 <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
SNYDER COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JUNE 6, 2005 TO DECEMBER 31, 2008

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	\$ 708,073
Liquor Control Board	189
Lottery Commission	1,272
Office of the Attorney General	<u>128</u>
Total	<u><u>\$ 709,662</u></u>

4. Balance Due Commonwealth (County) For The Period June 6, 2005 To December 31, 2008

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

5. County Officer Serving During Examination Period

Teresa J. Berger served as the Clerk of the Court of Common Pleas for the period June 6, 2005 to December 31, 2008.

CLERK OF THE COURT OF COMMON PLEAS
SNYDER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JUNE 6, 2005 TO DECEMBER 31, 2008

Finding - Bank Deposit Slips Were Not Always Validated

Our review of the office's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank. Of the 50 deposit slips tested 11 were not validated by the bank. The office received a validated receipt from the bank for the 11 exceptions, but this only confirmed the total amount deposited and not the actual make up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated.

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

The office was not aware of the potential internal control weaknesses caused by not having a validated deposit slip.

Recommendation

We recommend that the office secure the bank's validation on the office's copy of the deposit slip.

Management's Response

The County Officer responded as follows:

The daily deposits are made with M&T Bank. Late January of 2006, M&T Bank implemented a new financial accounting system which changed their internal procedure when validating customer's deposit. A single white slip (similar to a grocery slip) prints out showing the total checking deposit. This slip is returned to the county officer and the stapling of it to the duplicate copy of the carbon deposit was the procedure and still is the procedure.

After being told orally by the state auditor during the previous audit which began in October of 2006 for prior years January 1, 2004 to June 5, 2005, that the bank's procedure of returning the white deposit ticket (similar to a grocery slip) to the county officer with only the total deposit showing and not the cash/check breakdown was not acceptable. The Clerk of Court was told the bank should

CLERK OF THE COURT OF COMMON PLEAS
SNYDER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
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Finding - Bank Deposit Slips Were Not Always Validated (Continued)

Management's Response (Continued)

also be validating the customer's duplicate deposit slip that shows the cash/check breakdown. The reason was that without the duplicate deposit slip validated the possibility of loss of internal control could occur resulting in theft or fraud.

The county officer in early 2007 immediately reviewed deposit slips from the later part of January of 2006, which was the time that M&T Bank began their new accounting system. Validating by the M&T tellers of the county officer's duplicates was being done consistently. For whatever reason mid-2006 tellers began being sporadic with stamping/validating the customer's duplicate deposit slip but consistent with returning the white deposit slip. Sporadic validating continued for a short while in 2007. The county officer's duplicate deposit slip always showed the cash/check/money order breakdown.

The county officer after being alerted to the potential problem and the fact that the duplicate deposit should also be validated, the county officer informed the bank that all tellers should validate the county officer's duplicates. The county officer also explained to all her clerks, deputy and administrative assistant, who take deposits to bank, that they should watch and make sure the teller validates/stamps the duplicate as well as attaches the bank's white deposit slip to the yellow duplicate deposit slip.

To the Clerk of Courts' knowledge, proper validation has occurred ever since the issue was addressed with the bank and the county officer's employees.

Auditor's Conclusion

During our next examination we will determine if the office complied with our recommendation.

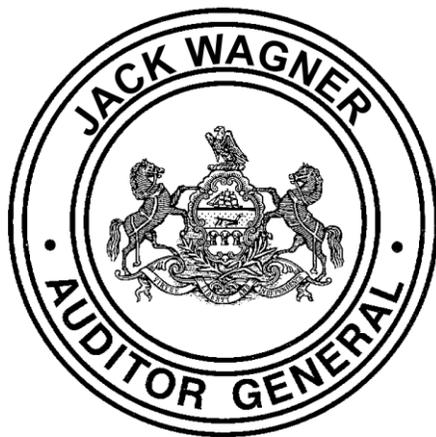
CLERK OF THE COURT OF COMMON PLEAS
SNYDER COUNTY
COMMENT
FOR THE PERIOD
JUNE 6, 2005 TO DECEMBER 31, 2008

Comment - Compliance With Prior Examination Recommendation

During our prior examination, we recommended:

- That the Clerk of the Court of Common Pleas, the District Attorney's Office, and the Adult Probation Office coordinate their efforts to assure that the Commonwealth and the victims of crime both receive their entitled collections.

During our current examination, we noted that the office complied with our recommendation.



CLERK OF THE COURT OF COMMON PLEAS
SNYDER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JUNE 6, 2005 TO DECEMBER 31, 2008

This report was initially distributed to:

Mr. C. Daniel Hassell
Acting Secretary
Pennsylvania Department of Revenue

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole
1101 South Front Street, Suite 5900
Harrisburg, PA 17104-2545

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

The Honorable Teresa J. Berger	Clerk of the Court of Common Pleas
The Honorable Joseph E. Kantz	Chairperson of the Board of Commissioners
The Honorable Harold F. Woelfel, Jr.	President Judge

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.