

CLERK OF THE COURT OF COMMON PLEAS

FAYETTE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

FEBRUARY 21, 2004 TO DECEMBER 31, 2007

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Independent Auditor's Report

The Honorable Steven H. Stetler
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, Fayette County, Pennsylvania (County Officer), for the period February 21, 2004 to December 31, 2007, 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*.

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, 2007, in conformity with the criteria set forth in Note 1.

Independent Auditor's Report (Continued)

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 the reporting on the Statement:

- Inadequate Internal Controls Over The Bank Account.

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.

Independent Auditor's Report (Continued)

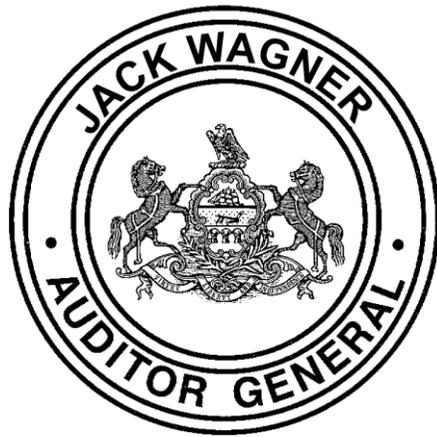
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

We are concerned in light of the County Officer's failure to correct a previously reported finding regarding inadequate internal control over the bank account. During our current examination, we noted significant weaknesses in the internal controls over the bank account that need corrective action. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendations 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.

February 10, 2009

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS
 FAYETTE COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 FEBRUARY 21, 2004 TO DECEMBER 31, 2007

Receipts:

Department of Transportation		
Title 75 Fines	\$	154,650
Department of Revenue Court Costs		48,685
Crime Victims' Compensation Costs		209,366
Crime Commission Costs/Victim Witness Services Costs		140,889
Department of Public Welfare		
Domestic Violence Costs		9,314
Costs		135
Department of Conservation and Natural Resources Fines		338
State Police Costs		126
Emergency Medical Services Fines		8,207
DUI - ARD/EMS Fees		17,465
CAT/MCARE Fund Surcharges		75,618
Judicial Computer System/Access to Justice Fees		44,324
Offender Supervision Fees		1,039,804
Constable Service Surcharges		1,248
Criminal Laboratory Users' Fees		12,321
Probation and Parole Officers' Firearm Education Costs		9,942
Substance Abuse Education Costs		114,636
Office of Victims' Services Costs		20,490
Miscellaneous State Fines and Costs		<u>108,791</u>
 Total receipts (Note 2)		 \$ 2,016,349
 Disbursements and credits to Commonwealth (Note 3)		 <u>(2,016,753)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 (404)
 Examination adjustments (Note 5)		 <u>2,819</u>
 Adjusted balance due Commonwealth (County) February 21, 2004 to December 31, 2007		 <u>\$ 2,415</u>

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

CLERK OF THE COURT OF COMMON PLEAS
 FAYETTE COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 FEBRUARY 21, 2004 TO DECEMBER 31, 2007

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 And Credits

Total disbursements and credits are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 2,009,569
Department of Conservation and Natural Resources	338
Department of Public Welfare	135
State Police	126
Office of Victims' Services	160

Credit taken on the current examination for
the prior audit period:

January 1, 2000 to February 20, 2004	6,425
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Total	\$ 2,016,753
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CLERK OF THE COURT OF COMMON PLEAS
FAYETTE COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 21, 2004 TO DECEMBER 31, 2007

4. Balance Due Commonwealth (County) For The Period February 21, 2004 To December 31, 2007

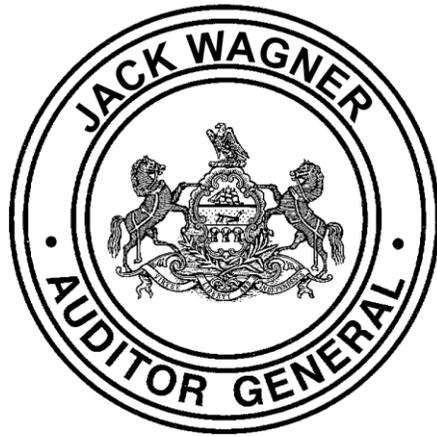
This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

5. Examination Adjustment

The examination adjustment represents interest earned on Commonwealth funds during the examination period that was not remitted to the Department of Revenue.

6. County Officer Serving During Examination Period

Janice Snyder served as the Clerk of the Court of Common Pleas for the period February 21, 2004 to December 31, 2007.



CLERK OF THE COURT OF COMMON PLEAS
FAYETTE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
FEBRUARY 21, 2004 TO DECEMBER 31, 2007

Finding - Inadequate Internal Controls Over The Bank Account

Our examination of the accounting records for the office disclosed the following deficiencies in the internal controls over the bank account:

- At December 31, 2007, there were unidentified liabilities totaling \$23,288. This total was listed under the account titled "Bank Account Adjustment (Unknown Recipient)" on the Undisbursed Escrow Summary report.
- There were 131 outstanding checks totaling \$19,918, dated from May 25, 2004 to December 11, 2006 that were still outstanding as of December 31, 2007.

These conditions existed because the office failed to establish adequate internal controls over its bank account.

A good system of internal control ensures that:

- All liabilities are identified and disbursed timely. The ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the bank account of the office is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.
- Adequate procedures are established to follow-up on all outstanding checks. If a check is outstanding for over 90 days, efforts should be made to locate the payee. If efforts to locate the payee are unsuccessful, the amount of the check should be removed from the outstanding checklist, added back to the checkbook balance, and subsequently held in escrow for unclaimed escheatable funds.

Without a good system of internal controls over the bank account the potential is increased for funds to be lost or misappropriated.

The conditions listed above were in the prior audit for the period ending February 20, 2004.

Recommendation

We again recommend that the county office establish and implement an adequate system of internal controls over its bank account as noted above.

CLERK OF THE COURT OF COMMON PLEAS
FAYETTE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
FEBRUARY 21, 2004 TO DECEMBER 31, 2007

Finding - Inadequate Internal Controls Over The Bank Account (Continued)

Management's Response

The County Officer responded as follows:

As for the unidentified funds, the remedy has finally been done at the back end of CPCMS [Common Pleas Criminal Court Case Management System.] All monies will be escheated immediately. This problem is now fixed and closed. As for the stale checks, I was aware of all problems due to CPCMS migration, slow response to fix legacy restitution, undeliverable checks, etc. A remedy has been done by CPCMS. This will be resolved immediately and will be specifically aware of the issue and it hopefully will not occur again.

Auditor's Conclusion

We appreciate the County Officer's effort to correct these conditions. During our next examination, we will determine if the office complied with our recommendation.

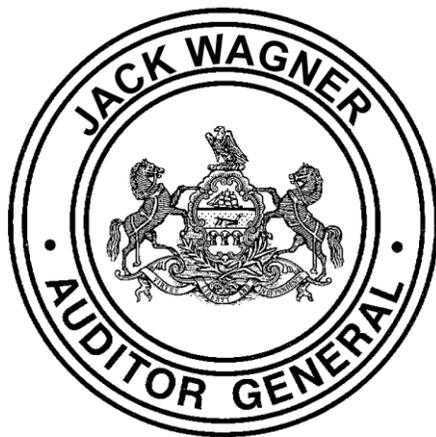
CLERK OF THE COURT OF COMMON PLEAS
FAYETTE COUNTY
COMMENT
FOR THE PERIOD
FEBRUARY 21, 2004 TO DECEMBER 31, 2007

Comment - Compliance With Prior Audit Recommendations

During our prior audit, we recommended:

- That the office deposit all receipts at the end of each day as required by good internal accounting controls.
- That the office take measures to ensure that monies are not dropped off in an unsecured mail slot.
- That the office establish and implement an adequate system of internal controls over the bond account.

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



CLERK OF THE COURT OF COMMON PLEAS
FAYETTE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
FEBRUARY 21, 2004 TO DECEMBER 31, 2007

This report was initially distributed to:

The Honorable Stephen H. Stetler
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

Clerk of the Court of Common Pleas
Fayette County
Court House
61 East Main Street
Uniontown, PA 15401

The Honorable Robert M. McCord	Treasurer of Pennsylvania
The Honorable Janice Snyder	Clerk of the Court of Common Pleas
The Honorable Sean Lally	Controller
The Honorable Vince Zapotosky	Chairman of the Board of Commissioners

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