



CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
COLLECTIONS DEPARTMENT

BRADFORD COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 5, 2004 TO DECEMBER 31, 2006

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Independent Auditor's Report

The Honorable Thomas W. Wolf
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Clerk of The Court of Common Pleas/Prothonotary/Collections Department, Bradford County, Pennsylvania (County Officers), for the period January 5, 2004 to December 31, 2006, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). These Statements are the responsibility of the county offices' management. Our responsibility is to express an opinion on these Statements 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 Statements 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 Sections 401(b) and 401(d) 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 Sections 401(b) and 401(d) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statements referred to above present, in all material respects, the operations of the County Officers as it pertains to receipts made on behalf of the Pennsylvania Department of Revenue and other state agencies for the period ended December 31, 2006, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statements 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Statements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of management, are described in the Findings and Recommendations section of the report.

We are concerned in light of the Collection Department's failure to correct previously reported findings regarding inadequate accountability over funds held in escrow and inadequate outstanding check procedures. The County Officers should strive to implement the recommendations and corrective actions noted in this examination report. These significant deficiencies increase the risk for funds to be lost, stolen, or misappropriated.

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 Officers and is not intended to be and should not be used by anyone other than these specified parties.

January 23, 2008

JACK WAGNER
Auditor General

CLERK OF THE COURT OF COMMON PLEAS/
COLLECTIONS DEPARTMENT
BRADFORD COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Receipts:

Department of Transportation		
Title 75 Fines	\$	51,515
Department of Revenue Court Costs		21,853
Crime Victims' Compensation Costs		64,990
Crime Commission Costs/Victim Witness Services Costs		48,088
Domestic Violence Costs		7,330
Emergency Medical Services Fines		3,675
DUI - ARD/EMS Fees		6,177
CAT/MCARE Fund Surcharges		40,608
Judicial Computer System/Access to Justice Fees		16,100
Offender Supervision Fees		213,045
Constable Service Surcharges		96
Criminal Laboratory Users' Fees		3,477
Probation and Parole Officers' Firearm Education Costs		5,435
Substance Abuse Education Costs		36,172
Office of Victims' Services Costs		8,527
Miscellaneous State Fines and Costs		<u>65,347</u>
 Total receipts (Note 2)	 \$	 592,435
 Disbursements and credits to Commonwealth (Note 4)		 <u>(592,535)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 (100)
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 5, 2004 to December 31, 2006		 <u><u>\$ (100)</u></u>

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

PROTHONOTARY
BRADFORD COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Receipts:

Writ Taxes	\$ 2,650
Divorce Complaint Surcharges	7,610
Judicial Computer System/Access To Justice Fees	46,770
Protection From Abuse Surcharges and Contempt Fines	1,520
Criminal Charge Information System Fees	<u>2,868</u>
Total Receipts (Note 2)	61,418
Commissions (Note 3)	<u>(79)</u>
Net Receipts	61,339
Disbursements to Commonwealth (Note 4)	<u>(61,341)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	(2)
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 5, 2004 to December 31, 2006	<u>\$ (2)</u>

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/COLLECTIONS DEPARTMENT
BRADFORD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

1. Criteria

The Statements of Receipts and Disbursements (Statements) have been prepared in accordance with Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b), which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted properly and to provide the Pennsylvania Department of Revenue (Department of Revenue) with a report to enable them to settle an account covering any delinquency.

The Statements were prepared in accordance with reporting requirements prescribed by the 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

Clerk Of The Court Of Common Pleas/Collections Department

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Department of Revenue and other state agencies. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases at the Collections Department and filed with the Clerk of The Court of Common Pleas' Office.

Prothonotary

Receipts are comprised of taxes, surcharges, fees, and fines collected on behalf of the Department of Revenue and the Administrative Office of Pennsylvania Courts.

These include monies collected for the following taxes, surcharges, fees, and fines:

- Writ Taxes represent a \$.50 or \$.25 tax imposed on taxable instruments filed with the Prothonotary.
- Divorce Complaint Surcharges represent a \$10.00 surcharge imposed on all divorce decrees.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/COLLECTIONS DEPARTMENT
BRADFORD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

2. Receipts (Continued)

Prothonotary (Continued)

- Judicial Computer System/Access To Justice Fees represent fees (\$5.00 for filings prior to November 1, 2002 and \$10.00 for filings afterwards) imposed for the filing of any legal paper to initiate a civil action or proceeding.
- Protection From Abuse Surcharges represent a \$25 surcharge imposed against defendants when a protection order is granted as a result of a hearing. Effective May 9, 2006, the surcharge was increased to \$100. Protection From Abuse Contempt Fines represent fines of not less than \$100 nor more than \$1,000 imposed against a defendant who is found to be in violation of a protection from abuse order. Effective May 9, 2006, the fine was increased to a minimum of \$300 and maximum of \$1000.
- Criminal Charge Information System Fees represent a fee imposed on all custody cases. Of the fee imposed, 80% is payable to the Administrative Office of Pennsylvania Courts (AOPC) and 20% is payable to the County in which the action took place. For the period January 1, 2004 to December 31, 2004 the fee was \$5.00. For the period January 1, 2005 to December 31, 2005 the fee was \$6.00. For the period January 1, 2006 to December 31, 2006 the fee was \$6.50. The statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.

3. Commissions

Acting in the capacity of an agent for the Commonwealth, the Prothonotary is authorized to collect a commission of 3 percent on the Commonwealth portion of writ taxes. Accordingly, commissions owed the county are not included in the balance due the Department of Revenue.

CLERK OF THE COURT OF COMMON PLEAS/
 PROTHONOTARY/COLLECTIONS DEPARTMENT
 BRADFORD COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 5, 2004 TO DECEMBER 31, 2006

4. Disbursements And Credits

Clerk Of The Court Of Common Pleas/Collections Department

Total disbursements and credits are comprised as follows:

Collections Department checks issued to:

Department of Revenue	\$ 563,838
Office of Attorney General	2,760
State Police	7,567
Bureau of Financial Operations	303
Bureau of Forestry	337
Bureau of Victims' Services	18
Commonwealth of Pennsylvania	25
Department of Corrections	240
Department of Public Welfare	15,996
Department of Revenue	1,350
Department of Transportation	5

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

January 1, 2001 to January 4, 2004	96
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Total	\$ 592,535
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Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 58,473
Administrative Office of Pennsylvania Courts	2,868

Total	\$ 61,341
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CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/COLLECTIONS DEPARTMENT
BRADFORD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

5. Balance Due Commonwealth (County) For The Period January 5, 2004 To December 31, 2006

Clerk Of The Court Of Common Pleas/Collections Department

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.

Prothonotary

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of receipts that were disbursed directly to the Administrative Office of Pennsylvania Courts.

6. County Officers Serving During Examination Period

Sally F. Vaughn served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 5, 2004 to December 31, 2006.

Joan Sanderson served as Fiscal Director of the Collections Department for the period January 5, 2004 to December 31, 2006.

COLLECTIONS DEPARTMENT
BRADFORD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Finding No. 1 - Inadequate Internal Controls Over The Bank Accounts - Collections Department

During the examination period, the Collections Department maintained two bank accounts, the Business Analysis Checking Account for transactions prior to the implementation of a new computer system and the Courtesy Checking Account, for transactions after the implementation of the new computer system. Our review of the accounting records for the office disclosed the deficiencies in the internal controls over the bank accounts.

In the Business Analysis Checking Account:

- There was no adequate accountability over undisbursed funds. At December 31, 2006, cash on hand exceeded recorded obligations by approximately \$28,126.
- There were 293 long outstanding checks totaling \$8,920, dated from January 7, 2000 to June 29, 2006 that were still outstanding as of December 31, 2006.

In the Courtesy Checking Account:

- There was no adequate accountability over undisbursed funds. At December 31, 2006, recorded obligations exceeded cash on hand by approximately \$1,375.
- There were 117 outstanding checks totaling \$1,723, dated from August 9, 2005 to September 30, 2006, which were still outstanding as of December 31, 2006.

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

A good system of internal controls ensures that:

- 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 cash on hand should equal unpaid obligations.

COLLECTIONS DEPARTMENT
BRADFORD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Finding No. 1 - Inadequate Internal Controls Over The Bank Accounts - Collections Department
(Continued)

- 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 accounts, the potential is increased that funds could be lost, stolen, or misappropriated.

The conditions regarding the Business Analysis Checking Account were cited in our last two audit periods, the most recent ending January 4, 2004.

Recommendation

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

Management's Response

The Fiscal Director responded as follows:

For the Business Analysis Checking Account:

This account will be closed prior to February 25, 2008. All outstanding checks will be escheated to the Treasurer's office prior to February 25, 2008 and the account will be closed.

For the Courtesy Checking Account:

Stale checks are being researched for current addresses. The checks we are able to void will be voided, stop payments issued, and new checks will be issued where possible. All other checks will be escheated to the Treasurer's office. A procedure has been established to review all checks over 90 days old each month when the account is balanced. An attempt will be made to call individuals to request that they cash checks when received.

Auditor's Conclusion

We will determine if the Collections Department complied with our recommendation during our next audit.

PROTHONOTARY
BRADFORD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Finding No. 2 - Inadequate Assessment Of The Judicial Computer System/Access To Justice
Fee - Prothonotary

Our examination disclosed that the office did not assess Judicial Computer System/Access to Justice (JCS/ATJ) fee as mandated by law. On all six Protection From Abuse cases tested, the JCP/ATJ Fee was not assessed.

Title 42 Pa. C.S.A. § 3733 provides for the collection of the \$10 JCS/ATJ fee.

The failure to assess this fee resulted in the defendant not being assessed the proper amount of fees associated with the violation; which caused a loss of revenue to the Commonwealth.

These incorrect assessments occurred because the office was not aware or up-to-date on laws and regulations regarding the proper assessment of Commonwealth fees.

Recommendation

We recommend that the office review the laws to ensure that fees are assessed as mandated by law.

Management's Response

The Prothonotary responded as follows

I intended to add this assessment with our new fee schedule. The fee increase did not occur thus no assessment was added at that time. As of January 2, 2008, this office is assessing and collecting the JCP fee on all PFA's that the court directs us to do.

Auditor's Conclusion

We appreciate the Prothonotary's effort to correct this condition. During our next examination, we will determine if the office complied with our recommendation.

PROTHONOTARY
BRADFORD COUNTY
COMMENT
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

Comment - Compliance With Prior Audit Recommendation

During our prior audit we recommended:

- That the Prothonotary reconcile the bank account monthly and maintain a running balance in the check book.

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/COLLECTIONS DEPARTMENT
BRADFORD COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 5, 2004 TO DECEMBER 31, 2006

This report was initially distributed to:

The Honorable Thomas W. Wolf
Secretary
Pennsylvania Department of Revenue

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

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Pennsylvania Board of Probation and Parole
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Clerk of the Court of Common Pleas/Prothonotary
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The Honorable Sally F. Vaughn	Clerk of the Court of Common Pleas/Prothonotary
Ms. Joan Sanderson	Fiscal Director of the Collections Department
The Honorable Jeffrey A. Smith	President Judge
The Honorable Nancy Schrader	Chairperson of the Board of Commissioners
The Honorable Robin L. Wiessmann	Treasurer, Department of Treasury
Ms. Susan Storch	County Auditor

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.