



CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION DEPARTMENT

MONTOUR COUNTY

EXAMINATION REPORT

FOR THE PERIOD

AUGUST 29, 2005 TO DECEMBER 31, 2009

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**Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER
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 and Adult Probation Department of Montour County, Pennsylvania (County Officers), for the period August 29, 2005 to December 31, 2009, 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.

Except as discussed in the fourth paragraph, 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)

As discussed in Finding No. 1, there were inadequate controls over manual receipts. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the County Officer's Statement was limited, and we were unable to satisfy ourselves by other examination procedures.

In our opinion, except for the effects, if any, of the matter noted in the preceding paragraph, the Statement referred to above presents, in all material respects, the operations of the County Officers' as it pertains to receipts made on behalf of the Commonwealth for the period ended December 31, 2009, 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 Officers' 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 Officers' Statement that is more than inconsequential will not be prevented or detected by the County Officers' 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 Manual Receipts - Adult Probation Department.

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 Officers' 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.

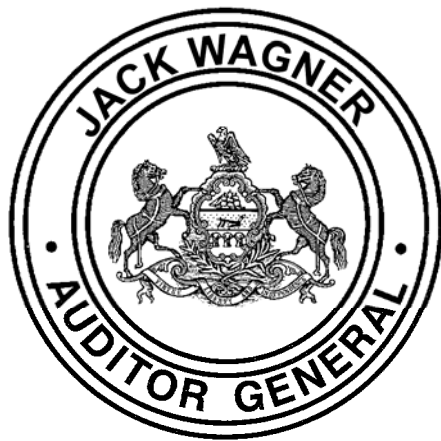
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we did note an other matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

- Fees Were Not Correctly Assessed - Clerk Of The Court Of Common Pleas.

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.

February 28, 2011

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION DEPARTMENT
MONTOUR COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

Receipts:

Department of Transportation		
Title 75 Fines	\$	20,628
Overweight Fines		3,076
Department of Revenue Court Costs		10,644
Crime Victims' Compensation Costs		27,636
Crime Commission Costs/Victim Witness Services Costs		18,790
Domestic Violence Costs		3,666
Emergency Medical Services Fines		1,176
DUI - ARD/EMS Fees		2,830
CAT/MCARE Fund Surcharges		13,923
Judicial Computer System		6,629
Access to Justice Fees		1,422
Offender Supervision Fees		107,251
Constable Service Surcharges		10
Criminal Laboratory Users' Fees		987
Probation and Parole Officers' Firearm Education Costs		2,588
Substance Abuse Education Costs		21,337
Office of Victims' Services Costs		3,109
Miscellaneous State Fines and Costs		<u>20,315</u>
 Total receipts (Note 2)	 \$	 266,017
 Disbursements to Commonwealth (Note 3)		 <u>(266,017)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period August 29, 2005 to December 31, 2009	 \$	 <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 AND
ADULT PROBATION DEPARTMENT
MONTGOMERY COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

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	\$ 260,394
Commission on Crime and Delinquency	3
Department of Public Welfare	3,155
Office of Inspector General	2,310
State Police	95
Department of Corrections	<u>60</u>
Total	<u><u>\$ 266,017</u></u>

4. Balance Due Commonwealth (County) For The Period August 29, 2005 To December 31, 2009

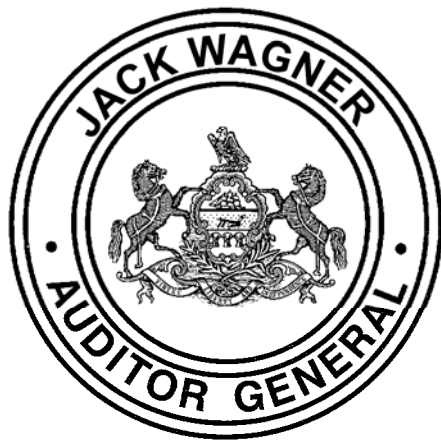
This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION DEPARTMENT
MONTOUR COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
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5. County Officers Serving During Examination Period

Susan M. Kauwell served as the Clerk of the Court of Common Pleas for the period August 29, 2005 to December 31, 2009.

James Miller served as Chief Probation Officer of the Adult Probation Department for the period August 29, 2005 to December 31, 2009.



ADULT PROBATION DEPARTMENT
MONTOUR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Adult Probation Department

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt is replaced by an official computer-generated receipt and included in the daily receipts.

Our examination disclosed that required manual receipt procedures were not always followed. We noted the following:

- Manual receipts issued could not be located and were not available for examination.
- A manual receipts log was not maintained to record the issuance of manual receipts. Consequently, a population of manual receipts could not be determined.
- Blank manual receipts were not pre-numbered.
- Manual receipt numbers were not always entered into the computer system.

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- A manual receipt log is maintained to document information that is recorded on the manual receipt, including date issued, date filed, case number, signature of the person receiving the payment, remitter name, payment source, and payment method. This will provide an audit trail on the issuance of the manual receipt.
- Manual receipts are pre-numbered and issued in numerical sequence.
- Manual receipt numbers should always be entered into the computer system.

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

ADULT PROBATION DEPARTMENT
MONTOUR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Adult Probation Department (Continued)

Adherence to good internal accounting controls would have ensured adequate internal controls over receipts.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts.

Recommendation

We recommend that the office establish and implement an adequate system of internal controls over manual receipts as noted above.

Management's Response

The County Officer responded as follows:

I was not aware forms were available thru CPCMS (Common Pleas Case Management System). It was corrected the day we were so advised by the auditor.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
MONTOUR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 2 - Fees Were Not Correctly Assessed - Clerk Of The Court Of Common Pleas

Our examination disclosed that the office did not correctly assess certain fees as mandated by law. Of 52 cases tested, we noted the following discrepancies:

- There were six cases in which the Criminal Justice Enhancement Account (CJEA) Fee was assessed in error.
- There were three cases in which the JCS/ATJ Fee was assessed on an ARD case.

The following state statutes address the assessment of fees that were not properly assessed:

- Effective November 10, 2007, Title 42 Pa.C.S. § 3575 (b) provides for the collection of a \$50 Criminal Justice Enhancement Account (CJEA) Fee if a defendant accepts Accelerated Rehabilitative Disposition, is convicted of or enters a plea of guilt or nolo contendere for a felony, misdemeanor of the first degree or misdemeanor of the second degree as set forth in Title 18 PA.C.S. (relating to crimes and offenses), or is convicted of or enters a plea of guilt or nolo contendere for a violation of Title 35, Section 780-113(a)(16), known as The Controlled Substance, Drug, Device and Cosmetic Act.
- Title 42 Pa. C.S.A. § 3733 provides for the collection of Judicial Computer System/Access to Justice (JCS/ATJ) Fees. It should be noted that these fees should not be assessed on Accelerated Rehabilitative Disposition (ARD) cases.

The incorrect assessing of these fees resulted in the defendant not being assessed the proper amount of fees associated with the violation.

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 noted above to ensure that fees are assessed as mandated by law.

CLERK OF THE COURT OF COMMON PLEAS
MONTOUR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

Finding No. 2 - Fees Were Not Correctly Assessed - Clerk Of The Court Of Common Pleas
(Continued)

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

We strongly recommend that the office comply with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION DEPARTMENT
MONTGOMERY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
AUGUST 29, 2005 TO DECEMBER 31, 2009

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 Susan M. Kauwell	Clerk of the Court of Common Pleas
The Honorable Thomas A. James, Jr.	President Judge
Mr. James Miller	Chief Probation Officer
The Honorable Trevor S. Finn	Chairperson of the Board of Commissioners

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.