

COMPLIANCE AUDIT

Clerk of the Court of Common
Pleas/Prothonotary/
Clerk of Orphans' Court/
Probation Department
Potter County, Pennsylvania
For the Period
January 1, 2018 to December 31, 2021

April 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Clerk of the Court of Common Pleas/Prothonotary/Clerk of Orphans' Court/Probation Department, Potter County, Pennsylvania (County Officers), for the period January 1, 2018 to December 31, 2021, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the County Officer's accounts. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The County Officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The County Officers are also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

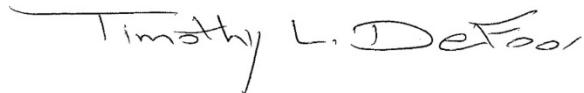
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officers, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report:

- Inadequate Internal Controls Over Manual Receipts - Probation.

This report includes summaries of the County Officers' receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the County Officers' receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's clerk of court of common pleas, prothonotary and clerk of orphans' courts offices, and used the data to create the summaries in the format required by the Department of Revenue. We also obtain data relating to prothonotaries from the Administrative Office of Pennsylvania Courts. We also evaluated the accuracy of the data as part of our audit to conclude on the County Offices' compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the management of the County Officers and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the Clerk of the Court of Common Pleas/Prothonotary/Clerk of Orphans' Court/Probation Department, Potter County, to us during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
March 21, 2023

CONTENTS

	<u>Page</u>
Background.....	1
Summaries Of Receipts And Disbursements:	
Clerk Of The Court Of Common Pleas/Probation Department.....	4
Prothonotary	5
Clerk Of Orphans' Court	6
Finding And Recommendation:	
Finding - Inadequate Internal Controls Over Manual Receipts - Probation.....	7
Summary Of Prior Audit Recommendation	9
Report Distribution	10

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/CLERK OF ORPHANS' COURT/PROBATION DEPARTMENT
POTTER COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

The Department of Auditor General is mandated by Article IV, Section 401(b) and (d) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

Clerk of Court of Common Pleas/Probation Department 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.

Prothonotary receipts are comprised of taxes, surcharges, and fees collected on behalf of the Department of Revenue and the Administrative Office of Pennsylvania Courts. These include monies collected for the following taxes, surcharges, and fees:

- Writ Taxes of \$.50 or \$.25 imposed on taxable instruments filed with the Prothonotary.
- Divorce Complaint Surcharges of \$10 imposed on all divorce decrees.
- Judicial Computer System/Access To Justice Fees of \$40.25 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.
- Protection From Abuse Surcharges of \$100 imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt Fines of not less than \$300 nor more than \$1,000 imposed against a defendant who is found to be in violation of a protection from abuse order.
- Criminal Charge Information System Fees 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. The statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.

CLERK OF THE COURT OF COMMON PLEAS/
 PROTHONOTARY/CLERK OF ORPHANS' COURT/PROBATION DEPARTMENT
 POTTER COUNTY
 BACKGROUND
 FOR THE PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Clerk of Orphans' Court receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes, surcharges, and fees:

- Marriage License Tax of \$.50 on all marriage licenses filed with the Clerk of Orphans' Court.
- Marriage License Application Surcharge of \$10 imposed on all marriage license applications.
- The Marriage License Declaration Fees of \$13 imposed for the issuance of a marriage license or declaration of which the Commonwealth's portion is \$10.
- Judicial Computer System/Access To Justice Fees of \$40.25 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

Total disbursements during the audit period are comprised as follows

Clerk Of The Court Of Common Pleas/Probation

Clerk of the Court/Probation checks issued to:

Department of Revenue	\$ 498,949
Office of Attorney General	1,925
State Police	807
Department of Human Services	444
Department of Transportation	1,419
Department of Public Welfare	672
 Total	 \$ 504,216

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/
PROTHONOTARY/CLERK OF ORPHANS' COURT/PROBATION DEPARTMENT
POTTER COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Prothonotary

Prothonotary checks issued to:

Department of Revenue	\$ 1,355,546
Administrative Office of Pennsylvania Courts	<u>1,066</u>
Total	<u>\$ 1,356,612</u>

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

Clerk Of Orphans' Court

Clerk of Orphans' Court checks issued to:

Department of Revenue	<u>\$ 14,753</u>
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This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

Kathy S. Schroeder served as the Clerk of the Court of Common Pleas/Prothonotary/Clerk of Orphans' Court for the period January 1, 2018 to December 31, 2021.

Brian R. Abel served as the Chief Probation Officer for the period January 1, 2018 to December 31, 2021

The summaries of receipts and disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, taxes, and surcharges assessed are based on Pennsylvania laws and regulations.

The summaries were 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.

CLERK OF THE COURT OF COMMON PLEAS/PROBATION DEPARTMENT
POTTER COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation		
Title 75 Fines	\$	82,517
Department of Revenue Court Costs		17,476
Crime Victims' Compensation Costs		31,853
Crime Commission Costs/Victim Witness Services Costs		22,446
Domestic Violence Costs		4,449
Emergency Medical Services Fines		5,940
DUI - ARD/EMS Fees		5,148
CAT/MCARE Fund Surcharges		16,296
Judicial Computer System/Access to Justice Fees		32,523
Offender Supervision Fees		108,825
Criminal Laboratory Users' Fees		16,544
Probation and Parole Officers' Firearm Education Costs		3,477
Substance Abuse Education Costs		30,215
Office of Victims' Services Costs		15,745
Miscellaneous State Fines and Costs		<u>110,762</u>
 Total receipts		 504,216
 Disbursements to Commonwealth		 <u>(504,216)</u>
 Balance due Commonwealth (County) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	 \$	 <u><u>-</u></u>

PROTHONOTARY
POTTER COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Writ Taxes	\$ 13,742
Divorce Complaint Surcharges	260,760
Judicial Computer System/Access To Justice Fees	1,081,106
Protection From Abuse Surcharges and Contempt Fines	350
Criminal Charge Information System Fees	<u>1,066</u>
Total Receipts	1,357,024
Commissions	<u>(412)</u>
Net Receipts	1,356,612
Disbursements to Commonwealth	<u>(1,356,612)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

CLERK OF ORPHANS' COURT
POTTER COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:	
Marriage License Taxes	\$ 190
Marriage License Application Surcharges	3,800
Marriage License Declaration Fees	3,800
Judicial Computer System/Access To Justice Fees	<u>6,963</u>
Total Receipts	14,753
Disbursements to Commonwealth	<u>(14,753)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

PROBATION DEPARTMENT
POTTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Inadequate Internal Controls Over Manual Receipts - Probation

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 should be replaced by an official computer-generated receipt and included in the daily receipts.

Of the 133 manual receipts issued, our audit disclosed that required manual receipts procedures were not always followed. We noted the following deficiencies in the internal controls over manual receipts:

- The manual receipt log sheet for 20 receipts was not available for audit.
- There were 37 manual receipts which could not be located and were not available for audit.
- There were 18 instances in which the manual receipt number was not entered into the CPCMS computer system when the corresponding computer receipt was generated.
- Manual receipts were not always used in numerical order.

Good internal accounting controls ensure that:

- Manual receipt logs are accounted for and maintained.
- Manual receipts are accounted for and maintained.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.
- Manual receipts are issued in numerical order.

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

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

PROBATION DEPARTMENT
POTTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Inadequate Internal Controls Over Manual Receipts - Probation (Continued)

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts. The office holder stated that each probation officer having their own manual receipt log and corresponding manual receipts to utilize as needed created a situation in which all manual receipt logs and corresponding manual receipts were not in one centralized location.

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 Chief Probation Officer responded as follows:

Manual receipts have been addressed with clerical staff, where there will only be one log sheet in the main office. Officers will not have their own receipts or log sheets. When possible, all payments will be made with clerical staff through CPCMS.

Auditors Conclusion

We appreciate the officeholder's efforts to correct this issue. As cited above, good internal accounting controls ensure that manual receipt numbers are entered in the manual receipt number field on the corresponding computer generated receipts, a manual receipt log is maintained, all manual receipts are issued sequentially, and properly accounted for. During our next audit, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/CLERK OF ORPHANS' COURT/PROBATION DEPARTMENT
POTTER COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendation

During our prior audit, we recommended that the Probation office:

- Establish and implement an adequate system of internal controls over receipts.

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/CLERK OF ORPHANS' COURT/PROBATION DEPARTMENT
POTTER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
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 Kathy S. Schroeder
Clerk of the Court of Common Pleas/
Prothonotary/Clerk of Orphans' Court

Mr. Brian R. Abel
Chief Probation Officer

The Honorable Stephen P.B. Minor
President Judge

The Honorable Nancy Grupp
Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.