



**DOMESTIC RELATIONS
WASHINGTON COUNTY
EXAMINATION REPORT
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012**

COMMONWEALTH OF PENNSYLVANIA
EUGENE A. DEPASQUALE - AUDITOR GENERAL
DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
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 Domestic Relations, Washington County, Pennsylvania, (County Officer) for the period January 1, 2005 to December 31, 2012, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). 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 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 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 January 1, 2005 to December 31, 2012, 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 the reporting on the Statement:

- Inadequate Internal Controls Over Receipts - Recurring.

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.



August 15, 2013

EUGENE A. DEPASQUALE
Auditor General

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DOMESTIC RELATIONS
WASHINGTON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012

Receipts:

Judicial Computer System/Access To Justice Fees (Note 2)	\$ 77,785
Disbursements to Commonwealth (Note 3)	<u>(77,785)</u>
Balance due Commonwealth (County) per settled reports (Note 4)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2005 to December 31, 2012	<u><u>\$ -</u></u>

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

DOMESTIC RELATIONS
WASHINGTON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of taxes, surcharges, fines, and fees 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 consist of monies collected on behalf of the Department of Revenue. These include monies collected for the following fee:

Judicial Computer System/Access To Justice Fees represent a \$10 fee imposed for the filing of any legal paper to initiate a civil action or proceeding. These fees were increased to \$23.50 for the period December 8, 2009 to December 31, 2014.

3. Disbursements

Total disbursements are comprised as follows:

Domestic Relations checks issued to:

Department of Revenue	\$ 77,785
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4. Balance Due Commonwealth (County) For The Period January 1, 2005 To December 31, 2012

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue

DOMESTIC RELATIONS
WASHINGTON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012

5. County Officers Serving During Examination Period

Catherine E. Kresh served as Director of the Domestic Relations office during the period January 1, 2005 to May 11, 2011.

Sue Ellen Sedlitsky served as Acting Director, Domestic Relations during the period May 12, 2011 to April 23, 2012.

Sharon Francis served as Director of Domestic Relations during the period April 24, 2012 to December 31, 2012.

DOMESTIC RELATIONS
WASHINGTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012

Finding - Inadequate Internal Controls Over Receipts - Recurring

We cited the office's inadequate internal control over receipts in the prior examination for the period ending December 31, 2004. However, our current examination found that the office did not correct this issue. Once again our examination disclosed that the Washington County Domestic Relations office used hand written receipts to document the receipt of cash, check, or money orders received for payments made to the office.

Our examination of the Domestic Relations accounting records disclosed the following deficiencies in internal controls over receipts:

- Of 94 deposits tested, 23 were not deposited the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from 2 days to 12 days.
- Two deposits did not match the total amount of receipts. We found that the total amount of the deposit was greater than the total receipts for those deposits.
- Of 139 receipts tested, 19 receipts did not have the payment source such as cash or check indicated on the manual receipts.
- The office used both pre-numbered, blank, generic receipts, and pre-numbered receipts with the office's name pre-printed on the form.
- The office did not maintain a log of manual receipts.

A good system of internal controls ensures that:

- All monies collected are deposited intact at the bank the same day as collected.
- All required information is recorded on the manual receipt, including date issued, date filed, signature of the person receiving payment, remitter name, docket number, payment source, and payment method.
- Only official, pre-numbered receipts with the office's name pre-printed on the form should be used.
- A receipts log is maintained to document which office employees have possession of the numerical sequence of receipts in their possession. This will provide an audit trail on the issuance of the manual receipt.

DOMESTIC RELATIONS
WASHINGTON COUNTY
FINDING AND RECOMMENDATION
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Finding - Inadequate Internal Controls Over Receipts - Recurring (Continued)

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

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

Recommendation

We again strongly recommend that the Domestic Relation's Office establish and implement an adequate system of internal controls as noted above.

Management's Response

In order to improve the internal controls over receipting and reporting, the Washington County Domestic Relations Section has implemented the following:

- All receipts will be written using receipts that have Domestic Relations, Washington County, specifically printed on them.
- All receipts and reports will be initialed by the employee(s) involved with the specific receipt or report.
- An Excel worksheet has been created so that each receipt will be documented. The worksheet displays the receipts in numeric order, the type of fee, the amount, the collection date, and how the money was received (cash, check, or money order).
- Deposits will be made on a daily basis.

Auditor's Conclusion

We strongly recommend that the office take all corrective actions necessary to comply with our recommendation.

DOMESTIC RELATIONS
WASHINGTON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2005 TO DECEMBER 31, 2012

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

The Honorable Sharon Francis	Domestic Relations
The Honorable Michael Namie	Controller
The Honorable Larry Maggi	Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.