

# ATTESTATION ENGAGEMENT

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## Domestic Relations York County, Pennsylvania For the Period January 1, 2012 to December 31, 2015

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June 2017



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Honorable C. Daniel Hassell  
Acting Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Domestic Relations Office, York County, Pennsylvania (County Officer), for the period January 1, 2012 to December 31, 2015, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). The County Office's management is responsible for this Statement. 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 and, accordingly, included 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*.

As discussed in Finding No. 2, we could not determine a complete population of docketed case numbers. As a result of this issue, we could not perform our standard examination procedures. As such, the scope of our examination of the County Officer's Statement was limited, and were unable to satisfy ourselves by other examination procedures.

## Independent Auditor's Report (Continued)

In our opinion, except for the effects, if any, of the preceding paragraph, 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, 2012 to December 31, 2015, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed below to be material weaknesses.

- Inadequate Accountability Over Funds Held In Escrow.
- Inadequate Internal Controls Over Docketed Case Numbers.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the County Office's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

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.

We appreciate the courtesy extended by the Domestic Relations Office, York County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale  
Auditor General

May 11, 2017

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DOMESTIC RELATIONS  
YORK COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

Receipts:

Judicial Computer System/Access To Justice Fees (Note 2)	\$ 71,451
Disbursements to Commonwealth (Note 3)	<u>(71,451)</u>
Balance due Commonwealth (County) per settled reports (Note 4)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2015	<u><u>\$ -</u></u>

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

DOMESTIC RELATIONS  
YORK COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

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 taxes, surcharges, fees, and fines:

- Judicial Computer System/Access To Justice Fees represent a \$23.50 fee imposed for the filing of any legal paper to initiate a civil action or proceeding. Effective July 10, 2014, Act 126 increased the fee to \$33.50. Effective August 8, 2014, Act 113 increased the fee to \$35.50.

3. Disbursements

Total disbursements are comprised as follows:

Domestic Relations checks issued to:

Department of Revenue	\$ 71,451
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4. Balance Due Commonwealth (County) For The Period January 1, 2012 To December 31, 2015.

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

5. County Officers Serving During Examination Period

Ms. Diane Chantiles-Brant served as Director of Domestic Relations during the period January 1, 2012 to July 31, 2013.

Ms. Theresa Gross served as Director of Domestic Relations during the period August 1, 2013 to December 31, 2015.

DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding No. 1 - Inadequate Accountability Over Funds Held In Escrow**

Our examination disclosed that there was inadequate accountability over funds held in escrow. At December 31, 2015, funds on hand exceeded recorded obligations in the checking account by \$34,988.01.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

Without a good system of internal controls over funds held in escrow, the possibility of funds being lost or misappropriated increases significantly.

This condition existed because the office failed to establish and implement an adequate system of internal controls over funds held in escrow.

**Recommendations**

We recommend that the office attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.



DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding No. 1 - Inadequate Accountability Over Funds Held In Escrow (Continued)**

Management's Response

The County Officer responded as follows:

Due to over the counter support payments (cash/credit card payments), modification fees, bails ordered to be funded, copy fees and filing fees being collected, there is a constant flow of funds into and out of the account. The Assistant Director/Fiscal Officer performs a checks and balance on a daily basis to confirm funds received and disbursed from the account. This is performed to allow PA State Collection and Disbursement Unit (SCDU) to extract and apply support payments to individual non-custodial parents who have made over the counter payments however; this does not take into account all other funds flowing through the account. These funds can increase and/or decrease the balance at any given time. Therefore, the amount stated in the finding is not accurate because it does not consider how the funds flow in/out at any given time. A full reconciliation is performed at the beginning of each month for the month prior where all deposits and debits are accounted for. Any balance carried over would be the result of deposits and debits in transit at the closing of the prior month bank statement and then accounted for in the following month.

While we acknowledge there is a discrepancy of unidentified funds in the amount of \$7,711.22, this was a result of funds from a historic bank account that was closed and transferred to the current account on January 31, 2015. While we have made every effort to identify those funds, it has been determined that the financial records are no longer available for review as they appear to have been accumulated from prior to as far back as the year 2006. In accordance with AOPC State procedures, the financial records have since been destroyed.

With that said, we adamantly disagree with the amount stated in the finding. In addition, we have been unable to identify the quoted amount in our records.

DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding No. 1 - Inadequate Accountability Over Funds Held In Escrow (Continued)**

Auditor's Conclusion

During our examination, we made every attempt to identify the liabilities associated with the office's bank account short of creating such a list from the financial information provided to us.. Good internal accounting controls require the office to maintain accountability over all undisbursed funds. This includes creating and maintaining an accurate list of all undisbursed funds and reconciling the bank balance with liabilities on a monthly basis. Any discrepancies should be immediately investigated and resolved.

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

DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding No. 2 - Inadequate Internal Controls Over Docketed Case Numbers**

York County Domestic Relations uses software provided by the Pennsylvania Child Support Enforcement System (PACSES) to record all child support cases. The PACSES software automatically assigns the docket numbers for cases entered into the computer system.

Our examination disclosed the following deficiencies in the internal controls over docketed case numbers:

- The computer software does not always assign docketed case numbers in numerical order. We reviewed four months of docketed case numbers and found that 97 of 856 case numbers were not issued in numerical order.
- The computer software is unable to generate a report that would account for all docketed case numbers issued. We found 155 of 856 case numbers reviewed could not be accounted for on the computerized reports.
- There were two instances where the same docket number was assigned to two different cases.

As a result of these issues, we could not determine a complete population of computerized docketed case numbers for our examination period.

Good internal accounting controls ensure that:

- All docketed case numbers are issued in numerical order.
- All docketed case numbers are properly accounted for and recorded in order to provide an adequate audit trail.
- Each transaction should be assigned a separate docketed case number.

Without a good system of internal controls over docketed case numbers, the possibility of funds being lost or misappropriated increases significantly.

This condition existed because the office failed to establish and implement an adequate accountability over docketed case numbers.

DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

**Finding No. 2 - Inadequate Internal Controls Over Docketed Case Numbers (Continued)**

Recommendation

We recommend that the office establish and implement an adequate system of internal controls over docketed case numbers as noted above.

Management's Response

The County Officer responded as follows:

Our dockets are assigned through the Pennsylvania Child Support Enforcement System (PACSES) when a case is created. After consulting with the Bureau of Child Support Enforcement (BCSE), it appears that for various reasons, a report listing dockets in numerical order is not available. We are able to capture most but not all of the numbers due to various reasons. There is no screen in PACSES that provides the exact date that a docket is assigned to a case, only when the first docket entry is loaded onto a case. Docket entries are created when a complaint for support is processed, or when an order is entered in PACSES. Typically, dockets are assigned during intake processing. However, a docket entry is not always created at the same time a case is given a docket number. On a typical case, the case is created and given a docket number and then a complaint is placed at the same time because a party has filed to establish support. In those normal cases, if it was opened in February the docket would be assigned in February as well. We are having difficulty capturing all the other cases and circumstances in a report form. While I am able to go through various screens in our system and view the missing docket numbers and verify that they were assigned to a case in PACSES during that same period, we do not have the ability to put it in a report form at this time. Below are some examples of dockets that are missing from the report included with this response.

The February report starts out with 00022SA2012 and then skips to 00040SA2012. The report captures cases where DHIS was populated in February 2012 and other months requested.

The first docket was actually given at the end of January. This was a case that was transferred to York from another PA county. The first docket on a transfer case would be the "Acceptance of Transfer Order". This cannot be generated until the parties receive 20 days written notice that the transfer will occur.

DOMESTIC RELATIONS  
YORK COUNTY  
FINDINGS AND RECOMMENDATIONS  
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**Finding No. 2 - Inadequate Internal Controls Over Docketed Case Numbers (Continued)**

Management's Response (Continued)

Due to the circumstances, the first docket was not created until February, hence why it is on the February list. All the numbers that are missing in between are dockets where cases were opened in January and the first docket occurred in January, therefore not showing on the report. This same thing would occur for registrations, which is another type of transfer from one county to another.

We also receive out of state petitions for various types of support services. These cases are created at the PA State Central Registry and a docket is assigned when it reaches York County Domestic Relations Section. Depending on the type of request, a docket entry may be assigned immediately or it may be delayed for the client to be given notice. There are also circumstances in which all necessary paperwork is not received from the other State in order to begin processing. The case would be entered at the PA State Central Registry but no docket created until paperwork is received because the petition could potentially be returned if information is not received timely.

Going forward, we will take steps to record docket numbers in the order in which they are assigned. It may be necessary to do this outside PACSES.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct this issue. During our next examination, we will determine if the office complied with our recommendation.

DOMESTIC RELATIONS  
YORK COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2012 TO DECEMBER 31, 2015

This report was initially distributed to:

**The Honorable C. Daniel Hassell**  
Acting Secretary  
Pennsylvania Department of Revenue

**The Honorable Thomas B. Darr**  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

**Ms. Theresa Gross**  
Director of Domestic Relations

**Ms. Diane Chantiles-Brant**  
Former Director of Domestic Relations

**The Honorable Robb P. Green**  
Controller

**The Honorable Susan P Byrnes**  
President of the Board of Commissioner

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).