

ATTESTATION ENGAGEMENT

Clerk of the Court of Common Pleas/Prothonotary Jefferson County, Pennsylvania For the Period January 1, 2012 to December 31, 2015

November 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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

EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Eileen H. McNulty
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, Jefferson 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 Offices' management is responsible for these Statements. 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 and, accordingly, included 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*.

In our opinion, the Statements referred to above present, 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.

Independent Auditor's Report (Continued)

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 Statements; 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 Statements. 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

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 Statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over reporting on the Statements was for the limited purpose of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the finding listed below, that we consider to be a significant deficiency.

- Inadequate Outstanding Check Procedures.

As part of obtaining reasonable assurance about whether the Statements are 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 Clerk of the Court of Common Pleas/Prothonotary, Jefferson 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.

November 3, 2016

Eugene A. DePasquale
Auditor General

CONTENTS

Page

Financial Section:

Statements Of Receipts And Disbursements:

Clerk Of The Court Of Common Pleas1

Prothonotary2

Notes To The Statements Of Receipts And Disbursements3

Finding And Recommendation:

Finding - Inadequate Outstanding Check Procedures6

Report Distribution7

CLERK OF THE COURT OF COMMON PLEAS
JEFFERSON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2015

Receipts:

Department of Transportation		
Title 75 Fines	\$	175,104
Overweight Fines		1,081
Department of Revenue Court Costs		40,632
Crime Victims' Compensation Costs		90,718
Crime Commission Costs/Victim Witness Services Costs		59,521
Domestic Violence Costs		10,759
Emergency Medical Services Fines		6,542
DUI - ARD/EMS Fees		6,526
CAT/MCARE Fund Surcharges		69,592
Judicial Computer System/Access to Justice Fees		64,805
Offender Supervision Fees		531,027
Constable Service Surcharges		887
Criminal Laboratory Users' Fees		84,242
Probation and Parole Officers' Firearm Education Costs		8,945
Substance Abuse Education Costs		67,656
Office of Victims' Services Costs		41,623
Miscellaneous State Fines and Costs		<u>214,498</u>
 Total receipts (Note 2)		 1,474,158
 Disbursements to Commonwealth (Note 4)		 <u>(1,474,158)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 -
 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 Statements of Receipts and Disbursements are an integral part of this report.

PROTHONOTARY
JEFFERSON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2015

Receipts:

Writ Taxes	\$ 1,392
Divorce Complaint Surcharges	6,170
Judicial Computer System/Access To Justice Fees	81,032
Protection From Abuse Surcharges and Contempt Fines	325
Criminal Charge Information System Fees	<u>2,592</u>
Total Receipts (Note 2)	91,511
Commissions (Note 3)	<u>(42)</u>
Net Receipts	91,469
Disbursements to Commonwealth (Note 4)	<u>(91,471)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	(2)
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2015	<u><u>\$ (2)</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
JEFFERSON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2015

1. Criteria

The Statements 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 Statements 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.

2. Receipts

Clerk Of The Court Of Common Pleas

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 consist of monies 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 surcharge imposed on all divorce decrees.
- 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.
- Protection From Abuse Surcharges represent a \$100 surcharge imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt Fines represent 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.

CLERK OF THE COURT OF COMMON PLEAS/
 PROTHONOTARY
 JEFFERSON COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2015

2. Receipts (Continued)

Prothonotary (Continued)

- 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. The fee was \$7.50 for the period January 1, 2011 to December 31, 2013 and was \$8.00 for the period January 1, 2014 thru December 31, 2015. 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 Commonwealth.

4. Disbursements

Clerk Of The Court Of Common Pleas

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$	1,437,992
State Police		34,514
Department of Transportation		1,446
Department of General Services		206
 Total	 \$	 <u>1,474,158</u>

CLERK OF THE COURT OF COMMON PLEAS/
 PROTHONOTARY
 JEFFERSON COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2015

4. Disbursements (Continued)

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$	88,879
Adminstrative Office of Pennsylvania Courts		2,592
Total	\$	91,471

5. Balance Due Commonwealth (County) For The Period January 1, 2012 To December 31, 2015

Clerk Of The Court Of Common Pleas

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 Officer Serving During Examination Period

Tonya S. Geist served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2012 to December 31, 2015.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
JEFFERSON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2015

Finding - Inadequate Outstanding Check Procedures

Our examination of the office checking account disclosed that the office was carrying 147 outstanding checks totaling \$11,382, dated from February 1, 2007 to June 5, 2015, that were still outstanding as of December 31, 2015.

Good internal accounting controls require that the office follow-up on all outstanding checks. If a check is outstanding for a period 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.

The failure to follow these procedures results in a weakening of internal controls over the cash account and inefficiency caused by the needless record-keeping of outstanding checks.

This condition existed because the office failed to establish adequate internal controls over its outstanding check procedures.

Recommendation

We recommend that the office follow up on the long outstanding checks noted above. We further recommend that the office establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 90 days are unsuccessful, the office should reinstate the amount of outstanding checks to the checking account and subsequently hold these monies in escrow for unclaimed escheatable funds.

Management's Response

The County Officer responded as follows:

As the Prothonotary and Clerk of Courts I recognize the importance of having an escheat procedure. I will request that the county treasurer amend the established procedures for Jefferson County to be more in line with state procedures and make the process more efficient to best serve all interests.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
JEFFERSON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2015

This report was initially distributed to:

The Honorable Eileen H. McNulty
Secretary
Pennsylvania Department of Revenue

The Honorable Thomas B. Darr
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 Tonya S. Geist
Clerk of the Court of Common Pleas/Prothonotary

The Honorable John H. Foradora
President Judge

The Honorable John D. Matson
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.