

CLERK OF JUDICIAL RECORDS

LACKAWANNA COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2003 TO DECEMBER 31, 2006

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Independent Auditor's Report

The Honorable Thomas W. Wolf
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Clerk of Judicial Records, Lackawanna County, Pennsylvania (County Officer), for the period January 1, 2003 to December 31, 2006, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). These Statements are the responsibility of the county office's management. 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. An examination includes 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*.

Independent Auditor's Report (Continued)

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 Pennsylvania Department of Revenue and other state agencies for the period ended December 31, 2006, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statements 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over the Statements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and this finding, along with the views of management, is described in the Finding and Recommendation section of the report.

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.

June 14, 2007

JACK WAGNER
Auditor General

CLERK OF JUDICIAL RECORDS
CRIMINAL DIVISION
LACKAWANNA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

Receipts:

Department of Transportation		
Title 75 Fines	\$	66,538
Overweight Fines		1,973
Department of Revenue Court Costs		116,825
Crime Victims' Compensation Costs		280,289
Crime Commission Costs/Victim Witness Services Costs		216,548
Domestic Violence Costs		38,326
Department of the Attorney General Costs		1,905
Bureau of Motor Vehicles Costs		561
Crime Victims Compensation Board Costs		716
Department of Public Assistance Costs		3,006
Department of Corrections Costs		119
Department of Public Welfare Costs		90
Department of the Inspector General Costs		16,525
Emergency Medical Services Fines		12,430
DUI - ARD/EMS Fees		45,575
CAT/MCARE Fund Surcharges		169,166
Judicial Computer System/Access to Justice Fees		67,119
Offender Supervision Fees		875,440
Constable Service Surcharges		10
Criminal Laboratory Users' Fees		1,889
Probation and Parole Officers' Firearm Education Costs		30,126
Substance Abuse Education Costs		123,299
Office of Victims' Services Costs		12,836
Miscellaneous State Fines and Costs		<u>23,614</u>
 Total receipts (Note 2)		 \$ 2,104,925
 Disbursements and credits to Commonwealth (Note 4)		 <u>(2,105,037)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 (112)
 Examination Adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2003 to December 31, 2006		 \$ <u><u>(112)</u></u>

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

CLERK OF JUDICIAL RECORDS
 CIVIL DIVISION
 LACKAWANNA COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2003 TO DECEMBER 31, 2006

Receipts:

Writ Taxes	\$	9,732
Divorce Complaint Surcharges		22,390
Judicial Computer System/Access To Justice Fees		208,855
Protection From Abuse Surcharges and Contempt Fines		2,911
Criminal Charge Information System Fees		<u>6,727</u>
Total Receipts (Note 2)		250,615
Commissions (Note 3)		<u>(292)</u>
Net Receipts		250,323
Disbursements to Commonwealth (Note 4)		<u>(250,313)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		10
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2003 to December 31, 2006	\$	<u><u>10</u></u>

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

CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

1. Criteria

The Statements of Receipts and Disbursements (Statements) have been prepared in accordance with Section 401(b) of *The Fiscal Code*, 72 P.S § 401(b), which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted properly and to provide the Pennsylvania Department of Revenue (Department of Revenue) with a report to enable them to settle an account covering any delinquency.

The Statements were prepared in accordance with reporting requirements prescribed by the 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 Judicial Records, Criminal Division

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Department of Revenue and other state agencies. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases filed with the Clerk of Judicial Records, Criminal Division.

Clerk Of Judicial Records, Civil Division

Receipts are comprised of taxes, surcharges, fees, and fines 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 Clerk Of Judicial Records, Civil Division.
- Divorce Complaint Surcharges represent a \$10.00 surcharge imposed on all divorce decrees.

CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

2. Receipts (Continued)

Clerk Of Judicial Records, Civil Division (Continued)

- Judicial Computer System/Access To Justice Fees represent fees (\$5.00 for filings prior to November 1, 2002 and \$10.00 for filings afterwards) imposed for the filing of any legal paper to initiate a civil action or proceeding.
- Protection From Abuse Surcharges represent a \$25.00 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 \$100.00 nor more than \$1,000.00 imposed against a defendant who is found to be in violation of a protection from abuse order.
- Criminal Charge Information System Fees represent a fee imposed on all custody cases. Of the fee imposed, 80 percent is payable to the Administrative Office of Pennsylvania Courts (AOPC) and 20 percent is payable to the County in which the action took place. For the period January 1, 2003 to December 31, 2004 the fee was \$5.00. For the period January 1, 2005 to December 31, 2005 the fee was \$6.00. For the period January 1, 2006 to December 31, 2006 the fee was \$6.50. 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 Clerk Of Judicial Records, Civil Division 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 Department of Revenue.

CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

4. Disbursements And Credits

Clerk Of Judicial Records, Criminal Division

Total disbursements and credits are comprised as follows:

Clerk Of Judicial Records, Criminal Division checks issued to:

Department of Revenue	\$ 2,077,329
Office of the Attorney General	1,905
Bureau of Motor Vehicles	561
Crime Victims Compensation Board	716
Department of Public Assistance	3,006
Department of Corrections	119
Department of Public Welfare	90
Department of the Inspector General	16,525

Credit taken on the current examination for
the prior audit period:

January 1, 1999 to December 31, 2002	<u>4,786</u>
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Total	<u>\$ 2,105,037</u>
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Clerk Of Judicial Records, Civil Division

Total disbursements are comprised as follows:

Clerk Of Judicial Records, Civil Division checks issued to:

Department of Revenue	\$ 243,586
Administrative Office of Pennsylvania Courts	<u>6,727</u>

Total	<u>\$ 250,313</u>
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CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

5. Balance Due Commonwealth (County) For The Period January 1, 2003 To December 31, 2006

Clerk Of Judicial Records, Criminal Division

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 Judicial Records, Civil Division

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

Mary F. Rinaldi served as the Clerk of Judicial Records for the period January 1, 2003 to December 31, 2006.

CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

Finding - Inadequate Outstanding Check Procedures - Criminal Division

Our examination of the Criminal Division checking account disclosed that the office was carrying 95 long outstanding checks totaling \$6,398.96, dated from February 9, 2005 to June 30, 2006, that were still outstanding as of December 31, 2006.

The office did not take appropriate follow-up action on long outstanding checks.

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

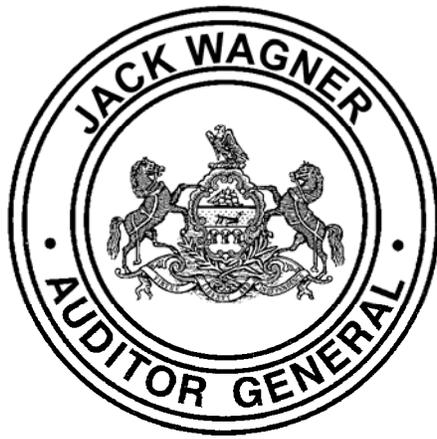
We recommend that the office establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 90 days are unsuccessful, the office should reinstate the amount of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

Management's Response

The Clerk of Judicial Records responded as follows:

To date the office has:

- Verified all outstanding checks with the bank,
- Took a random sample of outstanding checks and called the recipient to verify receipt,
- Did stop payments on all long outstanding checks, and
- Checks are being voided in the system and either being reissued or placed in escrow.



CLERK OF JUDICIAL RECORDS
LACKAWANNA COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2003 TO DECEMBER 31, 2006

This report was initially distributed to:

The Honorable Thomas W. Wolf
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
1101 South Front Street, Suite 5900
Harrisburg, PA 17104-2545

Clerk of The Court of Common Pleas/Prothonotary
Lackawanna County
200 North Washington Avenue
Scranton, PA 18503

The Honorable Mary F. Rinaldi	Clerk of Judicial Records
The Honorable John Mellow	Controller
The Honorable Robert C. Cordaro	Chairman 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.