

# ATTESTATION ENGAGEMENT

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**Sheriff/Prothonotary**  
Northampton County, Pennsylvania  
For the Period  
September 1, 2014 to February 29, 2016

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October 2016



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

Mr. Harrison Brooks  
Commonwealth Accountant Manager  
Office of Comptroller Operations  
Harrisburg, PA 17101

We have examined the accompanying statement of receipts and disbursements (Statement) of the Sheriff/Prothonotary, Northampton County, Pennsylvania (County Officers), for the period September 1, 2014 to February 29, 2016, pursuant to the requirements of Section 401(e) of *The Fiscal Code*, 72 P.S. § 401(e). The County Offices' 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 Section 401(e) 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 Section 401(e) of *The Fiscal Code*.

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officers as it pertains to receipts made on behalf of the Pennsylvania Office of Comptroller Operations for the period September 1, 2014 to February 29, 2016, 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 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 a certain deficiency in internal control that we consider to be a material weakness.

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 deficiency listed below to be a material weakness.

- Inadequate Internal Controls Over Receipts - Prothonotary - Recurring.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the County Offices' 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*.

We are concerned that the Prothonotary failed to correct previously reported finding regarding the inadequate internal controls over receipts. These deficiencies could result in uncollected fines and increase the risk for funds to be lost or misappropriated. The Prothonotary should strive to implement the recommendations and corrective actions noted in this report.

Independent Auditor's Report (Continued)

This report is intended solely for the information and use of the Pennsylvania Office of Comptroller Operations and the County Officers 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 Sheriff/Prothonotary, Northampton 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.



Eugene A. DePasquale  
Auditor General

September 26, 2016

## CONTENTS

Page

### Financial Section:

Statement Of Receipts And Disbursements.....1

Notes To The Statement Of Receipts And Disbursements.....2

### Finding And Recommendation:

Finding - Inadequate Internal Controls Over Receipts - Prothonotary - Recurring .....3

Summary Of Prior Examination Recommendation .....5

Report Distribution .....6

SHERIFF/PROTHONOTARY  
 NORTHAMPTON COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

Receipts:

Deputy Sheriff's Training and Education Surcharges	\$	193,980
Firearms License Validation System Account Fees		<u>2,071</u>
Total Receipts (Note 2)		196,051
Disbursements to Office of Comptroller Operations (Note 3)		<u>(196,051)</u>
Balance due Office of Comptroller Operations (County) (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Office of Comptroller Operations (County) for the period September 1, 2014 to February 29, 2016	\$	<u><u>-</u></u>

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

SHERIFF/PROTHONOTARY  
NORTHAMPTON COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of surcharges and fees assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Office of Comptroller Operations. 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 Office of Comptroller Operations. These include monies collected for the following surcharges and fees:

- Deputy Sheriff's Education and Training Surcharges represent a surcharge, ranging from \$2 to \$10 depending upon the year of service, on each fee collected by the sheriff of every county upon acceptance for each service required for any complaint, summons, writ, or other legal paper required to be served or posted by the sheriff.
- Firearms License Validation System Account Fees represent a \$1 fee imposed for applying for a license to carry a firearm.

3. Disbursements

Total disbursements are comprised of checks issued to the Office of Comptroller Operations.

4. Balance Due Office Of Comptroller Operations (County) For The Period September 1, 2014 To February 29, 2016

This balance reflects a summary of transmittal reports as settled by the Office of Comptroller Operations.

5. County Officer Serving During Examination Period

David Dalrymple served as Sheriff during the period September 1, 2014 to February 29, 2016.

SHERIFF/PROTHONOTARY  
NORTHAMPTON COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

**Finding - Inadequate Internal Controls Over Receipts - Prothonotary - Recurring**

We cited the issue of inadequate internal controls over receipts in the prior officeholder's two prior examination reports with the most recent for the period March 1, 2012 to August 31, 2014. Our current examination found that the prior officeholder did not correct this issue.

The Northampton County Prothonotary is responsible for the collection, recording and remittance of the surcharge fees assessed by the Sheriff's office. The office contracted with the computer software vendor for a computer software program for receipts.

Once again, our examination disclosed the following deficiencies in the internal control over receipts generated by the office's computer software program:

- The office's computer software program would only use a limited range of receipt numbers from 1,000 to 3,000. The computer software would start generating receipts at number 1,000. Once the software issued receipt number 3,000, the software would then revert back to receipt number 1,000 again.
- The computer software program could not assign certain receipt numbers. The system would generate an error message and use the next available receipt number. Therefore, receipts were not issued in numerical sequence.
- The computer software program could not reprint individual receipt numbers in order to verify missing paper receipt issues.

These conditions existed because the prior officeholder failed to establish adequate internal controls over its receipts as recommended in our two prior examination reports.

A good system of internal controls ensures that:

- The range of numbers used for receipts are not limited to a certain range.
- The computer software program cannot skip over receipt numbers and all receipts should be issued in numerical sequence.
- The office can account for every receipt number within a range issued for a given business day.

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

SHERIFF/PROTHONOTARY  
NORTHAMPTON COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

**Finding - Inadequate Internal Controls Over Receipts - Prothonotary – Recurring  
(Continued)**

Recommendation

We strongly recommend that the office establish and implement an adequate system of internal controls over the receiving system as noted above.

Management's Response

The County Officer responded as follows:

There have been several flaws with the cashiering software which causes receipt numbers to be skipped. The Prothonotary's Office, Sheriff Section, does have adequate segregation of duties and proper internal controls, however, [the office] agrees with the findings of the audit. This was a written finding on the previous audit to which we responded that we would be searching for a new vendor. We have purchased new court (computer system) software which incorporates the financial records. This system will eliminate the skipped receipt numbers and provide more detailed reports for management.

Auditor's Conclusion

This is a recurring finding. It is imperative that the office take all steps necessary to comply with our recommendations in order to have adequate internal controls over receipts. During our next examination, we will determine if the office complied with our recommendation.

SHERIFF/PROTHONOTARY  
NORTHAMPTON COUNTY  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATION  
FOR THE PERIOD  
SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

Summary Of Prior Examination Recommendation

During our prior examination, we recommended that the Prothonotary:

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

During our current examination, we noted that the prior officeholder did not comply with our bulleted recommendation. Please see the current year finding for additional information.

SHERIFF/PROTHONOTARY  
NORTHAMPTON COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
SEPTEMBER 1, 2014 TO FEBRUARY 29, 2016

This report was initially distributed to:

**Mr. Harrison Brooks**  
Commonwealth Accountant Manager  
Office of Comptroller Operations  
Accounts Receivable

**Mr. Derin Myers**  
Director  
Office of Financial Management and Administration  
Pennsylvania Commission on Crime and Delinquency

**The Honorable David Dalrymple**  
Sheriff

**The Honorable Holly Ruggiero**  
Prothonotary

**The Honorable John Cusick**  
President Of The County Council

**The Honorable Stephen Barron**  
Controller

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).