

PROTHONOTARY
CHESTER COUNTY
AUDIT REPORT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

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Independent Auditor's Report

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the accompanying statement of receipts and disbursements – cash basis of the Prothonotary, Chester County, Pennsylvania (County Officer), for the period January 1, 2002 to January 5, 2004, pursuant to the requirements of Section 401(b) and 902 of *The Fiscal Code*. This financial statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying financial statement was prepared using accounting practices prescribed by the Pennsylvania Department of Revenue, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statement presents only the Commonwealth portion of cash receipts and disbursements and is not intended to present fairly the financial position and results of operations of the County Officer, in conformity with accounting principles generally accepted in the United States.

Independent Auditor's Report (Continued)

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County Officer, as of January 5, 2004, the changes in its financial position, or where applicable, its cash flows for the period then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Department of Revenue and the Administrative Office of Pennsylvania Courts for the period January 1, 2002 to January 5, 2004, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2006, on our consideration of the County Officer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.

March 31, 2006

JACK WAGNER
Auditor General

PROTHONOTARY
CHESTER COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

Receipts:

Writ Taxes	\$ 5,933
Divorce Complaint Surcharges	24,170
Judicial Computer System/Access To Justice Fees	133,972
Protection From Abuse Surcharges And Contempt Fines	650
Criminal Charge Information System Fees	<u>3,788</u>
Total receipts (Note 2)	168,513
Commissions (Note 3)	<u>(178)</u>
Net receipts	168,335
Disbursements to Commonwealth (Note 4)	<u>(168,335)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2002 to January 5, 2004	<u><u>\$ -</u></u>

Notes to the financial statement are an integral part of this report.

PROTHONOTARY
CHESTER COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

1. Summary Of Significant Accounting Policies

Basis Of Presentation

The financial statement was prepared in accordance with the requirements of the Pennsylvania Department of Revenue. This financial statement is not intended to present either financial results of operations or financial position in conformity with generally accepted accounting principles.

Basis Of Accounting

The financial statement was prepared on the cash basis of accounting. Under this method, revenues were recognized when received and expenditures were recognized when paid.

Audit Requirement

The financial presentation has been prepared in accordance with Title 72 P.S. Section 401 (b) of *The Fiscal Code*, 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 Department of Revenue with a report to enable them to settle an account covering any delinquency. A statement of assets and liabilities was not a required part of the financial presentation because of the limited reporting scope by the Prothonotary. Therefore, a statement of assets and liabilities was not audited and is not a part of this report.

2. Receipts

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 \$10.00 surcharge imposed on all divorce decrees.

PROTHONOTARY
CHESTER COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

2. Receipts (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 \$5.00 fee imposed on all custody cases. Of the \$5.00 fee, \$4.00 is payable to the Administrative Office of Pennsylvania Courts (AOPC) and \$1.00 is payable to the County in which the action took place. The financial statement 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 Department of Revenue.

4. Disbursements

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 164,547
Administrative Office of Pennsylvania Courts	<u>3,788</u>
Total	<u>\$ 168,335</u>

PROTHONOTARY
CHESTER COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

5. Balance Due Commonwealth (County) For The Period January 1, 2002 To January 5, 2004

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of receipts disbursed directly to the Administrative Office of Pennsylvania Courts.

6. County Officer Serving During Audit Period

Allison Bell-Royer served as Prothonotary during the period January 1, 2002 to January 5, 2004.

Report On Compliance and On
Internal Control Over Financial Reporting

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the statement of receipts and disbursements – cash basis of the Prothonotary, Chester County, Pennsylvania (County Officer), for the period January 1, 2002 to January 5, 2004, and have issued our report thereon dated March 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Officer's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

Report On Compliance And On
Internal Control Over Financial Reporting (Continued)

or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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.

March 31, 2006

JACK WAGNER
Auditor General

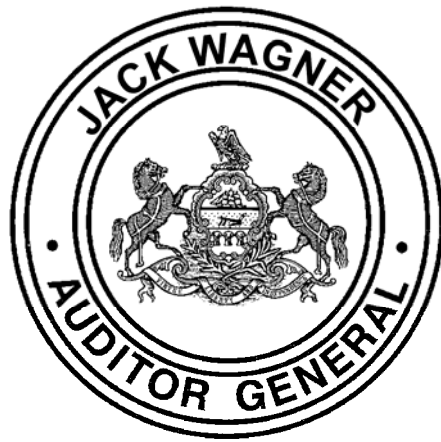
PROTHONOTARY
CHESTER COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

Comment - Compliance With Prior Audit Recommendations

During our prior audit, we made the following recommendations:

- That the Prothonotary establish and implement procedures to ensure that accounting adjustments are made properly.
- That the Prothonotary establish and implement an adequate system of internal procedures over receipts.
- That the Prothonotary establish and implement an adequate system of controls over the computer system used by the office.
- That the Prothonotary establish and implement adequate procedures over voided receipts. Specifically, all voided receipts should be marked void, properly accounted for and maintained, and all case files should have the proper documentation explaining the reason for the voided transactions.
- That the Prothonotary establish and implement procedures to ensure that all cases are properly filed, which includes issuing all case numbers in sequential order.

During our current audit, we noted that the office complied with our recommendations.



PROTHONOTARY
CHESTER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2002 TO JANUARY 5, 2004

This report was initially distributed to:

The Honorable Gregory C. Fajt
Secretary
Department of Revenue

The Honorable Zygmunt Pines
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Prothonotary
Chester County
Chester County Courthouse
West Chester, PA 19380

The Honorable Bryan D. Walters	Prothonotary
The Honorable Valentino F. DiGiorgio III	Controller
The Honorable Donald A. Mancini	Chairperson of the Board

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. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.