

CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT

WAYNE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2007 TO DECEMBER 31, 2010

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**Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER
AUDITOR GENERAL**

Independent Auditor's Report

The Honorable Daniel P. Meuser
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/Clerk of Orphans' Court/Adult Probation Department, Wayne County, Pennsylvania (County Officers), for the period January 1, 2007 to December 31, 2010, 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 offices' 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 Officers as it pertains to receipts made on behalf of the Commonwealth for the period ended December 31, 2010, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant 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 reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officers' ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officers' Statements that is more than inconsequential will not be prevented or detected by the County Officers' internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statements:

- Inadequate Outstanding Check Procedures - Adult Probation Department.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the County Officers' internal control. Our consideration of the internal control over reporting on the Statement would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

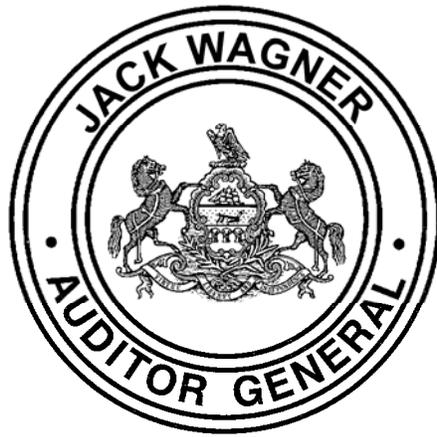
Independent Auditor's Report (Continued)

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Officers and is not intended to be and should not be used by anyone other than these specified parties.

April 21, 2011

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS/ADULT PROBATION DEPARTMENT
WAYNE COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Receipts:

| | | |
|---|--------|----------------------|
| Department of Transportation | | |
| Title 75 Fines | \$ | 149,753 |
| Department of Revenue Court Costs | | 26,392 |
| Crime Victims' Compensation Costs | | 67,160 |
| Crime Commission Costs/Victim Witness Services Costs | | 44,362 |
| Domestic Violence Costs | | 6,224 |
| Emergency Medical Services Fines | | 11,331 |
| DUI - ARD/EMS Fees | | 7,924 |
| CAT/MCARE Fund Surcharges | | 66,130 |
| Judicial Computer System/Access to Justice Fees | | 22,994 |
| Offender Supervision Fees | | 233,809 |
| Constable Service Surcharges | | 51 |
| Criminal Laboratory Users' Fees | | 34,001 |
| Probation and Parole Officers' Firearm Education Costs | | 6,221 |
| Substance Abuse Education Costs | | 77,245 |
| Office of Victims' Services Costs | | 6,239 |
| Miscellaneous State Fines and Costs | | <u>121,043</u> |
| Total receipts (Note 2) | \$ | 880,879 |
| Disbursements to Commonwealth (Note 4) | | <u>(880,879)</u> |
| Balance due Commonwealth (County) per settled reports (Note 5) | | - |
| Examination adjustments | | <u>-</u> |
| Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2010 | \$ | <u><u>-</u></u> |

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

PROTHONOTARY
WAYNE COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Receipts:

| | |
|---|--------------------|
| Writ Taxes | \$ 2,924 |
| Divorce Complaint Surcharges | 6,300 |
| Judicial Computer System/Access To Justice Fees | 83,868 |
| Protection From Abuse Surcharges and Contempt Fines | 2,240 |
| Criminal Charge Information System Fees | <u>2,288</u> |
| Total Receipts (Note 2) | 97,620 |
| Commissions (Note 3) | <u>(88)</u> |
| Net Receipts | 97,532 |
| Disbursements to Commonwealth (Note 4) | <u>(97,532)</u> |
| Balance due Commonwealth (County) per settled reports (Note 5) | - |
| Examination adjustments | <u>-</u> |
| Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2010 | <u><u>\$ -</u></u> |

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

CLERK OF ORPHANS' COURT
WAYNE COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Receipts:

| | | |
|---|----|-----------------|
| Marriage License Taxes | \$ | 586 |
| Marriage License Application Surcharges | | 11,720 |
| Marriage License Declaration Fees | | 11,720 |
| Judicial Computer System/Access To Justice Fees | | <u>1,517</u> |
| Total Receipts (Note 2) | | 25,543 |
| Disbursements to Commonwealth (Note 4) | | <u>(25,543)</u> |
| Balance due Commonwealth (County) per settled reports (Note 5) | | - |
| Examination adjustments | | <u>-</u> |
| Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2010 | \$ | <u><u>-</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/
CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
WAYNE COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

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/Adult Probation Department

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 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 Prothonotary.
- Divorce Complaint Surcharges represent a \$10 surcharge imposed on all divorce decrees.
- Judicial Computer System/Access To Justice Fees represent a \$10 fee imposed for the filing of any legal paper to initiate a civil action or proceeding. These fees were temporarily increased to \$23.50 for the period December 8, 2009 to January 7, 2012.

CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
WAYNE COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

2. Receipts (Continued)

Prothonotary (Continued)

- Protection From Abuse Surcharges represent a \$25 surcharge imposed against defendants when a protection order is granted as a result of a hearing. Effective May 9, 2006, the surcharge was increased to \$100. Protection From Abuse Contempt Fines represent fines of not less than \$100 nor more than \$1,000 imposed against a defendant who is found to be in violation of a protection from abuse order. Effective May 9, 2006, the fine was increased to a minimum of \$300 and maximum of \$1000.
- 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 \$6.50 for the period January 1, 2007 to December 31, 2007 and \$7.00 for the period January 1, 2008 to December 31, 2010. The statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.

Clerk Of Orphans' Court

Receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes, surcharges, and fees:

- The Marriage License Tax is a \$.50 tax on all marriage licenses filed with the Clerk of Orphans' Court.
- The Marriage License Application Surcharge is a \$10 surcharge imposed on all marriage license applications.
- The Marriage License Declaration Fees is a \$13 fee imposed for the issuance of a marriage license or declaration and for returns thereof to the Department of Health, \$2.50 of which shall be for the use of the county where the license is issued, and \$.50 for the use of the Commonwealth (Marriage License Tax), plus \$10 (Marriage License/Declaration Fees). The statement of receipts and disbursements only reflects the portion collected on behalf of the Commonwealth.

CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
 CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
 WAYNE COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2007 TO DECEMBER 31, 2010

2. Receipts (Continued)

Clerk Of Orphans' Court (Continued)

- Judicial Computer System/Access To Justice Fees represent a \$10 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. These fees were temporarily increased to \$23.50 for the period December 8, 2009 to January 7, 2012.

3. Commissions – Prothonotary

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/Adult Probation Department

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

| | | |
|--|----|---------|
| Department of Revenue | \$ | 870,658 |
| Department of Environmental Protection | | 180 |
| Department of Corrections | | 5,298 |
| Department of Public Welfare | | 1,369 |
| Office of Inspector General | | 2,224 |
| Game Commission | | 685 |
| State Police | | 465 |
| Total | \$ | 880,879 |

CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
 CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
 WAYNE COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2007 TO DECEMBER 31, 2010

4. Disbursements (Continued)

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

| | | |
|---|----|--------|
| Department of Revenue | \$ | 95,244 |
| Adminstrative Office of Pennsylvania Courts | | 2,288 |
| Total | \$ | 97,532 |

Clerk Of Orphans' Court

Total disbursements are comprised as follows:

Clerk of Orphans' Court checks issued to:

| | | |
|-----------------------|----|--------|
| Department of Revenue | \$ | 25,543 |
|-----------------------|----|--------|

5. Balance Due Commonwealth (County) For The Period January 1, 2007 To December 31, 2010

Clerk Of The Court Of Common Pleas/Prothonotary/Adult Probation Department

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 Orphans' Court

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

CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
WAYNE COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

6. County Officers Serving During Examination Period

Edward Sandercock served as the Clerk of the Court of Common Pleas/Prothonotary/Clerk of Orphans' Court for the period January 1, 2007 to December 31, 2010.

Robert H. Williams served as Chief Adult Probation Officer for the period January 1, 2007 to December 31, 2008.

James R. Chapman served as Chief Adult Probation Officer for the period January 1, 2009 to December 31, 2010.

ADULT PROBATION DEPARTMENT
WAYNE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Finding - Inadequate Outstanding Check Procedures - Adult Probation Department

Our examination of the Adult Probation Department checking account disclosed that the office was carrying 222 outstanding checks totaling \$11,276, dated from June 15, 2006 to June 15, 2010, that were still outstanding as of December 31, 2010.

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 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 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 Chief Adult Probation Officer responded as follows:

The Adult Probation Department is thoroughly in agreement with the recommendations made by the State Auditor and will work toward a proper, acceptable resolution of findings.

Regarding the outstanding stale checks, the Adult Probation Department will work with and comply with all policy and procedures established by the Prothonotary's Office, with both past and future stale checks. My collection's bookkeeper has already begun complying with guidelines established by the Prothonotary's Office toward resolving this issue.

ADULT PROBATION DEPARTMENT
WAYNE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Finding - Inadequate Outstanding Check Procedures - Adult Probation Department (Continued)

Auditor's Conclusion

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

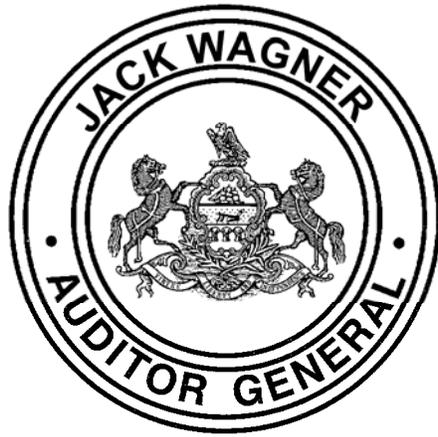
PROTHONOTARY/CLERK OF ORPHANS' COURT/
ADULT PROBATION DEPARTMENT
WAYNE COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

Comment - Compliance With Prior Examination Recommendations

During our prior examination, we recommended:

- That the office establish and implement an adequate system of internal controls over manual receipts - Adult Probation Department.
- That the office establish procedures to periodically generate and review monitoring reports - Prothonotary/Clerk of Orphans' Court.
- That the County continue to take prudent steps to properly secure their production servers from unauthorized access using the remote access software installed on their system - Prothonotary/Clerk of Orphans' Court.
- That the County negotiate an updated contract and software maintenance agreement with the vendor - Prothonotary/Clerk of Orphans' Court.
- That the County always maintain an updated contract so as to provide appropriate legal recourse in the event of disputes with the Vendor - Prothonotary/Clerk of Orphans' Court.
- That the County office users be required to periodically change their passwords - Prothonotary/Clerk of Orphans' Court.

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



CLERK OF THE COURT OF COMMON PLEAS/PROTHONOTARY/
CLERK OF ORPHANS' COURT/ADULT PROBATION DEPARTMENT
WAYNE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2010

This report was initially distributed to:

The Honorable Daniel P. Meuser
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

The Honorable Robert M. McCord
Pennsylvania State Treasurer
Treasury Department

| | |
|---------------------------------|---|
| The Honorable Edward Sandercock | Clerk of the Court of Common Pleas/ Prothonotary/Clerk of Orphans' Court |
| The Honorable Raymond L. Hamill | President Judge |
| The Honorable Brian W. Smith | Chairman of the Board of Commissioners |
| Mr. James R. Chapman | Chief Probation Officer, Adult Probation Department |

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.