



**CLERK OF THE COURT OF COMMON PLEAS
AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT**

LEBANON COUNTY

EXAMINATION REPORT

**FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010**

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas, Lebanon County, Pennsylvania (County Officer), for the period February 22, 2005 to December 31, 2010, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. 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. An examination includes 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(b) 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(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period February 22, 2005 to 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 Statement 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 Statement is 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 Statement 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 Officer's 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 Officer's Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over Manual Receipts (Probation Department: Collections And Disbursement Unit).

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 Officer's 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. We consider the significant deficiency described above to be a material weakness.

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.

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke at the end.

February 27, 2014

EUGENE A. DEPASQUALE
Auditor General

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CLERK OF THE COURT OF COMMON PLEAS AND
PROBATION DEPARTMENT: COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

Receipts:

Department of Transportation		
Title 75 Fines	\$	679,824
Overweight Fines		290
Department of Revenue Court Costs		256,093
Crime Victims' Compensation Costs		448,671
Crime Commission Costs/Victim Witness Services Costs		329,620
Department of Public Welfare		
Domestic Violence Costs		75,774
PA Office of the Attorney General		796
PA Commission on Crime and Delinquency		50
Commonwealth of Pennsylvania		52
PA Department of Welfare		363
PA Liquor Control Board		1,195
PA Office of the Inspector General		1,868
PA State Police		2,501
PA Department of Treasury		129,143
Emergency Medical Services Fines		75,411
DUI - ARD/EMS Fees		26,175
CAT/MCARE Fund Surcharges		335,508
Judicial Computer System/Access to Justice Fees		114,392
Offender Supervision Fees		2,145,241
Constable Service Surcharges		654
Criminal Laboratory Users' Fees		126,781
Probation and Parole Officers' Firearm Education Costs		42,650
Substance Abuse Education Costs		268,343
Office of Victims' Services Costs		71,815
Miscellaneous State Fines and Costs		<u>327,932</u>
 Total receipts (Note 2)		 5,461,142
 Disbursements to Commonwealth (Note 3)		 <u>(5,464,183)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 (3,041)
 Examination adjustments (Exhibit I)		 <u>1,071</u>
 Adjusted balance due Commonwealth (County) for the period February 1, 2005 to December 31, 2010		 <u><u>\$ (1,970)</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
 COLLECTIONS AND DISBURSEMENT UNIT
 LEBANON COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 FEBRUARY 22, 2005 TO DECEMBER 31, 2010

1. Criteria

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

The Statement was 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

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.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 5,328,215
Office of the Attorney General	796
Commission on Crime and Delinquency	50
Commonwealth of Pennsylvania	52
Department of Welfare	363
Liquor Control Board	1,195
Office of the inspector General	1,868
State Police	2,501
Treasurer	129,143
Total	\$ 5,464,183

CLERK OF THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

4. Balance Due Commonwealth (County) For The Period February 22, 2005 To December 31, 2010

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 THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

5. Reconciliation Of Settled Reports

The following presents a reconciliation of monthly reports settled by the Department of Revenue for the period February 22, 2005 to December 31, 2010:

Date of Summary of Collections Report	Balance Due Settled Reports Commonwealth (County)	Adjustments	Adjusted Balance Due Commonwealth (County)
2005			
January	\$ -	\$ -	\$ -
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	(8,742)	-	(8,742)
September	(150)	-	(150)
October	(252)	-	(252)
November	(90)	-	(90)
December	-	-	-
2006			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-

CLERK OF THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

5. Reconciliation Of Settled Reports (Continued)

Date of Summary of Collections Report	Balance Due Settled Reports Commonwealth (County)	Adjustments	Adjusted Balance Due Commonwealth (County)
2007			
January	\$ -	\$ -	\$ -
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-
2008			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	6,193	-	6,193
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-

CLERK OF THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

5. Reconciliation Of Settled Reports (Continued)

Date of Summary of Collections Report	Balance Due Settled Reports Commonwealth (County)	Adjustments	Adjusted Balance Due Commonwealth (County)
2009			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-
2010			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	-	-	-
July	(10)	-	(10)
August	10	-	10
September	-	-	-
October	-	-	-
November	-	-	-
December	-	-	-
Balance due Commonwealth (County) per settled reports			(3,041)
Examination adjustments (Exhibit 1)			1,071
Adjusted balance due Commonwealth (County) for the period of February 1, 2005 to December 31, 2010			<u>\$ (1,970)</u>

CLERK OF THE COURT OF COMMON PLEAS AND PROBATION DEPARTMENT:
COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

6. County Officers Serving During Examination Period

Lisa M. Arnold served as the Clerk of the Court of Common Pleas for the period February 22, 2005 to December 31, 2010.

Sally A. Barry served as Chief Probation Officer of the Probation Department for the period February 22, 2005 to December 31, 2010.

CLERK OF THE COURT OF COMMON PLEAS
LEBANON COUNTY
EXHIBIT 1
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

<u>Month</u>	<u>Day</u>	<u>Year</u>	<u>Examination Adjustments</u>	<u>Explanation</u>
1		2008	\$ 1,000	Fine that should have been forfeited to the Commonwealth
1		2008	<u>71</u>	Fine that should have been forfeited to the Commonwealth
Total			<u><u>\$ 1,071</u></u>	

CLERK OF THE COURT OF COMMON PLEAS
LEBANON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

Finding - Inadequate Internal Controls Over Manual Receipts - (Probation Department:
Collections And Disbursement Unit)

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt is replaced by an official computer-generated receipt and included in the daily receipts.

Our examination disclosed the following deficiencies in the internal controls over manual receipts:

Of 75 receipts tested, we noted the following:

- There were nine instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.
- There were 22 instances in which the manual receipt was not properly completed.
- There were two instances in which the manual receipt date was later than the date of the computer generated receipt.

Good internal accounting controls ensure that:

- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.
- All required information is recorded on the manual receipt, including date issued, date filed, signature of the person receiving the payment, remitter name, docket number, payment source, and payment method.
- The manual receipt date should never be later than the date of the computer generated receipt.

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

Adherence to good internal accounting controls would have ensured adequate internal controls over receipts.

CLERK OF THE COURT OF COMMON PLEAS
LEBANON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
FEBRUARY 22, 2005 TO DECEMBER 31, 2010

Finding - Inadequate Internal Controls Over Manual Receipts - (Probation Department:
Collections And Disbursement Unit) (Continued)

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts.

Recommendation

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

Management's Response

The Probation Department - Collections and Disbursement Unit (CDU), Fiscal Supervisor responded as follows:

The Collections and Disbursement Unit (CDU) continues to improve our tracking of manual receipts within the Common Pleas Case Management System (CPCMS). We have for the past few years, ran the manual receipts log report in CPCMS (form/report number 1090), and compared it to our hard copy records. If we find that a manual receipt number was not entered, we make a note of it in the report. Until recently this was our only method of correction or notation.

On April 1, 2013, CPCMS "refresh" was released. In this newest version of CPCMS, we now have the ability to enter in the manual receipt numbers, if at the time the original computer receipt was generated the manual number was not entered.

We recently completed reviewing the manual receipts for the year 2013, and have entered any missing receipt numbers. Per our internal review, the only manual receipt numbers now missing, per the 1090 report, are the voided manual receipts.

As always, the CDU will continue to strive to improve in our daily duties.

PROBATION DEPARTMENT: COLLECTIONS AND DISBURSEMENT UNIT
LEBANON COUNTY
COMMENT
FOR THE PERIOD
FEBRUARY 22, 2005 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 the bank account. Furthermore, we again recommend that the office establish adequate procedures to follow-up on all outstanding checks.
- That the office establish and implement an adequate system of internal controls over manual receipts by maintaining a manual receipt log to document the manual receipts that were used.

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

CLERK OF THE COURT OF COMMON PLEAS
LEBANON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
FEBRUARY 22, 2005 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 Lisa M. Arnold	Clerk of the Court of Common Pleas
The Honorable Robert M. Mettley	Controller
The Honorable Jo Ellen Litz	Chairperson of the Board of Commissioners
Ms. Sally A. Barry	Director, Probation Department

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.