

# ATTESTATION ENGAGEMENT

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## Clerk of the Court of Common Pleas/Prothonotary/Probation and Parole Department Centre County, Pennsylvania For the Period January 1, 2011 to December 31, 2013

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July 2015



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

The Honorable Eileen H. McNulty  
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/Probation and Parole Department (County Officers), Centre County, Pennsylvania, for the period January 1, 2011 to December 31, 2013, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). The County Offices' management is responsible for these Statements. 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 and, accordingly, included 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*.

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 January 1, 2011 to December 31, 2013, 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 Statements; 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 Statements. 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statements was for the limited purpose of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements 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 certain deficiencies in internal control that we consider to be material weaknesses.

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 Statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be material weakness.

- Inadequate Internal Controls Over Manual Receipts - Probation and Parole Department - Recurring.

As part of obtaining reasonable assurance about whether the Statements are free from material misstatement, we performed tests of the County Officers' 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 the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

We are concerned that the County Officer failed to correct a previously reported finding regarding inadequate internal controls over manual receipts. This significant deficiency increases the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendation and corrective action noted in this examination 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 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 Clerk of the Court of Common Pleas/Prothonotary/Probation and Parole Department, Centre 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

May 6, 2015

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CLERK OF THE COURT OF COMMON PLEAS AND PROBATION AND  
PAROLE DEPARTMENT  
CENTRE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

Receipts:

Department of Transportation		
Title 75 Fines	\$	172,662
Department of Revenue Court Costs		125,151
Crime Victims' Compensation Costs		240,570
Crime Commission Costs/Victim Witness Services Costs		168,208
Domestic Violence Costs		17,067
Emergency Medical Services Fines		36,739
DUI - ARD/EMS Fees		45,249
CAT/MCARE Fund Surcharges		159,315
Judicial Computer System/Access to Justice Fees		145,963
Offender Supervision Fees		1,007,294
Constable Service Surcharges		63
Criminal Laboratory Users' Fees		156,027
Probation and Parole Officers' Firearm Education Costs		26,644
Substance Abuse Education Costs		210,052
Office of Victims' Services Costs		66,651
Miscellaneous State Fines and Costs		<u>464,585</u>
Total receipts (Note 2)		3,042,240
Disbursements to Commonwealth (Note 4)		<u>(3,042,240)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2011 to December 31, 2013	\$	<u><u>-</u></u>

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

PROTHONOTARY  
CENTRE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

Receipts:

Writ Taxes	\$	4,778
Divorce Complaint Surcharges		10,520
Judicial Computer System/Access To Justice Fees		121,189
Protection From Abuse Surcharges and Contempt Fines		1,050
Criminal Charge Information System Fees		<u>3,696</u>
Total Receipts (Note 2)		141,233
Commissions (Note 3)		<u>(143)</u>
Net Receipts		141,090
Disbursements to Commonwealth (Note 4)		<u>(141,090)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2011 to December 31, 2013	\$	<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/PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

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

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 increased to \$23.50 for the period December 8, 2009 to December 31, 2014.



CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY/PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

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 \$7.50 for the period January 1, 2011 to December 31, 2013. 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 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.

CLERK OF THE COURT OF COMMON PLEAS/  
 PROTHONOTARY/PROBATION AND PAROLE DEPARTMENT  
 CENTRE COUNTY  
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2011 TO DECEMBER 31, 2013

4. Disbursements

Clerk Of The Court Of Common Pleas

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 3,029,311
Commonwealth of PA	2,945
Attorney General	2,651
State Police	4,548
Department of Health and Mental Hygiene	267
Department of Transportation	1,478
Department of Welfare	500
Game Commission	138
Wine and Spirits	402
	\$ 3,042,240
Total	\$ 3,042,240

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 137,394
Adminstrative Office of Pennsylvania Courts	3,696
	\$ 141,090
Total	\$ 141,090

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY/PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

5. Balance Due Commonwealth (County) For The Period January 1, 2011 To December 31, 2013

Clerk Of The Court Of Common Pleas

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.

Prothonotary

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 Officers Serving During Examination Period

Debra C. Immel served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2011 to December 31, 2013.

Thomas J. Young served as the Director of the Probation and Parole Department for the period January 1, 2011 to December 31, 2013.

PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

**Finding - Inadequate Internal Controls Over Manual Receipts - Probation and Parole Department - Recurring**

We cited the Probation and Parole office's lack of internal controls over manual receipts in the prior examination for the period January 1, 2007 to December 31, 2010. However, our current examination found that the office did not correct this issue.

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. Once again, our examination disclosed the following deficiencies in the internal controls over manual receipts:

Of 40 receipts tested, we noted the following:

- There were 2 manual receipts which could not be located and were not available for examination.
- There were 8 instances in which the computer receipt was not generated timely after the issuance of the corresponding manual receipt. The time lapse from the date of the manual receipt to the corresponding computer receipt ranged from 2 days to 20 days.
- There were 14 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

This condition existed because the office ignored our prior examination recommendation and failed to establish and implement an adequate system of internal controls over manual receipts.

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- Computer receipts are generated timely after the issuance of the corresponding manual receipts.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.

PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

**Finding - Inadequate Internal Controls Over Manual Receipts - Probation and Parole Department - Recurring (Continued)**

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

Recommendation

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

This is a recurring finding. We strongly recommend that the office take all corrective actions necessary to comply with our recommendation.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. It is imperative that the office take all steps necessary to comply with our recommendation. During our next examination we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY/PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

Summary Of Prior Examination Recommendation

During our prior examination, we recommended:

- That the Probation and Parole Department establish and implement an adequate system of internal controls over manual receipts.

Our current examination found that the office did not comply with our prior examination recommendation. Please see current year finding.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY/PROBATION AND PAROLE DEPARTMENT  
CENTRE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2013

This report was initially distributed to:

The Honorable Eileen H. McNulty  
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 Debra C. Immel	Clerk of the Court of Common Pleas/ Prothonotary
The Honorable Charles L. Witmer	Controller
The Honorable Steven G. Dershem	Chairperson of the Board of Commissioners
The Honorable Thomas K. Kistler	President Judge
Mr. Thomas J. Young	Director of Probation And Parole

This report is a matter of public record and is available online at <http://www.PaAuditor.gov>. 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@PaAuditor.gov](mailto:news@PaAuditor.gov).