

ATTESTATION ENGAGEMENT

Clerk of the Court of
Common Pleas and Collections
Office/Prothonotary
Lycoming County, Pennsylvania
For the Period
January 1, 2012 to December 31, 2013

September 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, Lycoming County, Pennsylvania (County Officer), for the period January 1, 2012 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 office's 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 Officer as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2012 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of obtaining reasonable assurance about whether the Statements are free from material misstatement, we performed tests of the County Officer's 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*.

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.

Independent Auditor's Report (Continued)

We appreciate the courtesy extended by the Clerk of the Court of Common Pleas/Prothonotary, Lycoming 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.

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

Eugene A. DePasquale
Auditor General

July 22, 2015

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CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE
 LYCOMING COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2013

Receipts:

Department of Transportation		
Title 75 Fines	\$	147,133
Overweight Fines		1,500
Department of Revenue Court Costs		60,342
Crime Victims' Compensation Costs		131,418
Crime Commission Costs/Victim Witness Services Costs		84,588
Domestic Violence Costs		13,915
Emergency Medical Services Fines		11,337
DUI - ARD/EMS Fees		10,721
CAT/MCARE Fund Surcharges		77,840
Judicial Computer System/Access to Justice Fees		71,679
Offender Supervision Fees		597,509
Constable Service Surcharges		907
Criminal Laboratory Users' Fees		54,179
Probation and Parole Officers' Firearm Education Costs		11,140
Substance Abuse Education Costs		94,742
Office of Victims' Services Costs		38,316
Miscellaneous State Fines and Costs		<u>535,742</u>
 Total receipts (Note 2)		 1,943,008
 Disbursements to Commonwealth (Note 3)		 <u>(1,944,727)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 (1,719)
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2013		 <u><u>\$ (1,719)</u></u>

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

PROTHONOTARY
 LYCOMING COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2013

Receipts:

Writ Taxes	\$	2,128
Divorce Complaint Surcharges		6,810
Judicial Computer System/Access To Justice Fees		99,425
Protection From Abuse Surcharges and Contempt Fines		425
Criminal Charge Information System Fees		<u>2,862</u>
Total Receipts (Note 2)		111,650
Commissions (Note 3)		<u>(58)</u>
Net Receipts		111,592
Disbursements to Commonwealth (Note 4)		<u>(111,605)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		(13)
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2013	\$	<u><u>(13)</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE/
PROTHONOTARY
LYCOMING COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 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 And Collections Office

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 And Collections Office' 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 AND COLLECTIONS OFFICE/
PROTHONOTARY
LYCOMING COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 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, 2012 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 AND COLLECTIONS OFFICE/
 PROTHONOTARY
 LYCOMING COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2013

4. Disbursements

Clerk of the Court of Common Pleas And Collections Office

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 1,941,884
Commonwealth of Pennsylvania	2,747
Liquor Control Board	61
Department of Corrections	35
	35
 Total	 \$ 1,944,727

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 108,743
Adminstrative Office of Pennsylvania Courts	2,862
	2,862
 Total	 \$ 111,605

CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE/
 PROTHONOTARY
 LYCOMING COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2013

5. Balance Due Commonwealth (County) For The Period January 1, 2012 To December 31, 2013

Clerk of the Court of Common Pleas And Collections Office

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. Reconciliation Of Settled Reports - Clerk of the Court of Common Pleas And Collections Office

The following presents a reconciliation of monthly reports settled by the Department of Revenue for the period January 1, 2012 to December 31, 2013:

Date of Summary of Collections Report	Balance Due Settled Reports Commonwealth (County)	Adjustments	Adjusted Balance Due Commonwealth (County)
2012			
January	(199)	-	(199)
February	(449)	-	(449)
March	(378)	-	(378)
April	(70)	-	(70)
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	-	-	-
October	(136)	-	(136)
November	-	-	-
December	(14)	-	(14)

CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE/
 PROTHONOTARY
 LYCOMING COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2013

6. Reconciliation Of Settled Reports - Clerk of the Court of Common Pleas And Collections Office (Continued)

Date of Summary of Collections Report	Balance Due Settled Reports Commonwealth (County)	Adjustments	Adjusted Balance Due Commonwealth (County)
2013			
January	\$ (172)	\$ -	\$ (172)
February	-	-	-
March	(48)	-	(48)
April	(103)	-	(103)
May	-	-	-
June	-	-	-
July	-	-	-
August	-	-	-
September	(96)	-	(96)
October	(54)	-	(54)
November	-	-	-
December	-	-	-
Balance due Commonwealth (County) per settled reports			(1,719)
Examination adjustments			-
Adjusted balance due Commonwealth (County) for the period of January 1, 2012 to December 31, 2013			\$ (1,719)

7. Prior Examination Period Balance Due - Clerk of the Court of Common Pleas

We noted that there was a prior examination balance due the County of \$12,897 for the period January 1, 2007 to December 31, 2010 which was not taken as of the end of our current examination period.

8. County Officers Serving During Examination Period

Suzanne M. Revak Fedele served as the Clerk of the Court of Common Pleas And Collections Office/Prothonotary for the period January 1, 2012 to December 31, 2013.

Thomas D. Heap served as Supervisor of the Collections Office for the period January 1, 2012 to December 31, 2013.

CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE/
PROTHONOTARY
LYCOMING COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2013

Summary Of Prior Examination Recommendations

During our prior examination, we recommended:

- That the Collections Office establish and implement an adequate system of internal controls over manual receipts.
- That the Collections Office continue to secure the bank's validation on the office's copy of the deposit slip.
- That the Prothonotary establish and implement an adequate system of internal controls over receipts.
- That the Prothonotary provide for greater segregation of duties within the office.
- That the Prothonotary establish procedures to follow up on outstanding checks in a timely manner.

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

CLERK OF THE COURT OF COMMON PLEAS AND COLLECTIONS OFFICE/
PROTHONOTARY
LYCOMING COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2013

This report was initially distributed to:

The Honorable Eileen H. McNulty
Secretary
Pennsylvania Department of Revenue

The Honorable Thomas B. Darr
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 Suzanne M. Revak Fedele	Clerk of the Court of Common Pleas/Prothonotary
Mr. Thomas D. Heap	Supervisor of the Collections Office
The Honorable Krista B. Rogers	Controller
The Honorable Tony R. Mussare	Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at 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.