



**CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY**

**MIFFLIN COUNTY**

**EXAMINATION REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2008 TO DECEMBER 31, 2011**

**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 statements of receipts and disbursements (Statements) of the Clerk of the Court of Common Pleas/Prothonotary, Mifflin County, Pennsylvania (County Officer), for the period January 1, 2008 to December 31, 2011, 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 office's management. Our responsibility is to express an opinion on these Statements based on our examination.

Except as discussed in the fourth paragraph, 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 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)

As discussed in Finding No. 1, a population of manual receipts could not be determined and all manual receipts were not available for review. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the County Officer's Statement was limited, and we were unable to satisfy ourselves by other examination procedures.

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, 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 January 1, 2008 to December 31, 2011, 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 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 Statements that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statements:

- Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of Common Pleas - Recurring.

Independent Auditor's Report (Continued)

- Improper Stale Check Procedures - Clerk Of The Court Of Common Pleas.
- Inadequate Internal Controls Over Computer System - Prothonotary - Recurring.

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 Statements will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statements 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 all the significant deficiencies described above to be material weaknesses.

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.



**EUGENE A. DEPASQUALE**  
Auditor General

April 25, 2013

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CLERK OF THE COURT OF COMMON PLEAS  
 MIFFLIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2008 TO DECEMBER 31, 2011

Receipts:

Department of Transportation		
Title 75 Fines	\$	84,092
Department of Revenue Court Costs		35,001
Crime Victims' Compensation Costs		119,489
Crime Commission Costs/Victim Witness Services Costs		65,771
Domestic Violence Costs		10,425
Emergency Medical Services Fines		5,962
DUI - ARD/EMS Fees		9,322
CAT/MCARE Fund Surcharges		47,566
Judicial Computer System/Access to Justice Fees		34,480
Offender Supervision Fees		295,856
Constable Service Surcharges		1,229
Criminal Laboratory Users' Fees		10,459
Probation and Parole Officers' Firearm Education Costs		8,667
Substance Abuse Education Costs		79,646
Office of Victims' Services Costs		71,592
Miscellaneous State Fines and Costs		<u>187,163</u>
 Total receipts (Note 2)		 1,066,720
 Disbursements to Commonwealth (Note 4)		 <u>(1,066,975)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		  (255)
 Examination adjustments		  <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2008 to December 31, 2011		  <u><u>\$ (255)</u></u>

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

PROTHONOTARY  
 MIFFLIN COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2008 TO DECEMBER 31, 2011

Receipts:

Writ Taxes	\$	1,548
Divorce Complaint Surcharges		5,320
Judicial Computer System/Access To Justice Fees		54,054
Protection From Abuse Surcharges and Contempt Fines		7,707
Criminal Charge Information System Fees		<u>1,885</u>
Total Receipts (Note 2)		70,514
Commissions (Note 3)		<u>(46)</u>
Net Receipts		70,468
Disbursements to Commonwealth (Note 4)		<u>(70,468)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2008 to December 31, 2011	\$	<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  
MIFFLIN COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

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/  
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NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

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 \$1,000.
- 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 for the period January 1, 2008 to December 31, 2010, and \$7.50 for the period January 1, 2011 to December 31, 2012. 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/  
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 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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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	\$ 1,055,575
Department of Treasury	4,402
Office of The Inspector General	2,881
State Police	2,484
Department of Transportation	804
Attorney General's Office	361
Department of Public Welfare	293
Department of Labor & Industry	121
Liquor Control Board	<u>54</u>
Total	<u><u>\$ 1,066,975</u></u>

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 68,583
Adminstrative Office of Pennsylvania Courts	<u>1,885</u>
Total	<u><u>\$ 70,468</u></u>

CLERK OF THE COURT OF COMMON PLEAS/  
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NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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5. Balance Due Commonwealth (County) For The Period January 1, 2008 To December 31, 2011

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. Prior Examination Period Balance Due

We noted that there was a prior examination balance due the County of \$203 which was not taken as of the end of our current examination period.

7. County Officer Serving During Examination Period

Patricia K. Burke served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2008 to December 31, 2011.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
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FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of  
Common Pleas - Recurring

We cited the issue of inadequate manual receipt procedures in the prior examination for the period ending December 31, 2007. However, our current examination found that the office did not correct this issue. Manual receipts are available within the Common Pleas Case Management System (CPCMS) 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. During the audit period the office utilized manual receipts from an outside vendor.

Our examination disclosed that required manual receipt procedures were not always followed. We noted the following:

- Manual receipts could not be located and were not available for examination.
- The manual receipt log sheets were not available for examination.
- Manual receipt numbers were not entered into the computer system.

Good internal accounting controls ensure that:

- Manual receipts are prenumbered, issued in strict numerical sequence, accounted for, and maintained for examination.
- A manual receipt log should be maintained to document information that is recorded on the manual receipt, including date issued, date filed, case number, signature of the person receiving the payment, remitter name, payment source, and payment method. This will provide an audit trail on the issuance of the manual receipt.
- Manual receipt numbers are entered into the computer system.

CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of  
Common Pleas – Recurring (Continued)

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

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 again strongly recommend that the clerk of the court establish and implement an adequate system of internal controls over manual receipts as noted above. The office's failure to maintain adequate internal controls over manual receipts increases the possibility of loss or theft of funds.

Management's Response

The Clerk of the Court/Prothonotary responded as follows:

The office will try to implement the CPCMS system for manual receipts.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
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FINDINGS AND RECOMMENDATIONS  
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Finding No. 2 - Improper Stale Check Procedures - Clerk Of The Court Of Common Pleas

Our examination of the court's checking account disclosed that the Clerk of The Court of Common Pleas' office was carrying 277 outstanding checks totaling \$8,294.25 dated from February 2007 through June 2011 that were still outstanding as of December 31, 2011.

Good internal controls ensure that the office establish procedures to follow up on long outstanding checks in a timely manner. The office should first make an attempt to contact the recipient of the check. If unsuccessful after 180 days, the amount of the check should be reinstated (added) to the office checking account and remitted at the end of the month to the county treasurer for deposit into an escheat account.

The failure to follow these procedures results in a weakening of internal control over the cash account and inefficiency caused by the needless record-keeping of stale checks.

The office did not review or take appropriate follow-up action on long outstanding checks.

Subsequent events

The current office holder assumed office on January 1, 2012 and voided and reissued or escheated the above checks in May of 2013.

Recommendations

We recommend that the office establish procedures to follow up on outstanding checks as noted above.

Management's Response

The Clerk of the Court/Prothonotary responded as follows:

Outstanding checks have been addressed.

CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 3 - Inadequate Internal Controls Over Computer System – Prothonotary - Recurring

We cited the office's inadequate internal controls over the computer system in the prior examination for the period ending December 31, 2007. However, our current examination found that the office did not correct this issue. Once again our examination disclosed that the Mifflin County Prothonotary (County) uses software purchased from and supported by an outside service organization (Vendor) to account for transactions. The Vendor has remote access to the County's computer system and data.

We learned that the Vendor has the ability to make changes to the County's data using a procedure called a Data File Utility (DFU). Use of this utility would not be recorded through the normal accounting processes and, therefore, would not generate a normal examination trail.

We also noted the following weaknesses:

- The contract agreement between the County and the Vendor relieves the Vendor of any liability concerning loss of data or system functionality that may be caused by the Vendor's actions. The contract states, in part, "The client also agrees to limit [Vendor's] liability to the correction of the application software. [Vendor] shall not be liable for direct, indirect, incidental, or consequential damages arising from the use or the inability to use the software or service herein described. Neither shall [Vendor] be responsible for the loss of data, the costs of data recovery, or the loss of profit or revenue."
- The Vendor has unmonitored access to the County's data. The County was not monitoring the Vendor's system accesses, nor were they receiving reports to show what data may have been altered and/or accessed.
- The contract between the County and the Vendor is outdated. The last contract was dated December 10, 1992.

Effective security policy and practice requires the County's approval and monitoring of any computer data changes made by the Vendor, particularly because of the Vendor's access to critical applications. Furthermore, to ensure confidentiality, passwords should be changed periodically and not exchanged between employees.

According to the Computer Emergency Response Team (CERT) of Carnegie Mellon University, inadequate contractor security policies and practices can result in undetected intrusions or security violations, lack of data integrity, and loss of privacy.

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Finding No. 3 - Inadequate Internal Controls Over Computer System - Prothonotary – Recurring  
(Continued)

Further, CERT documents also caution that a system might experience loss of confidentiality and integrity due to the contractor using an unsecure method of remote access. This may result in intruders gaining unauthorized access to, modifying, or destroying the County's information systems and assets; deliberately introducing security vulnerabilities or viruses; and launching attacks on other systems from the County's network and perhaps making the County liable for damages.

These conditions existed because the County ignored our prior recommendations and failed to establish adequate internal controls over its computer system.

A similar finding was cited in our 2004-2007 report.

Recommendations

We again strongly recommend:

- That the County establish procedures to periodically generate monitoring reports that include the date, time, reason for change(s), change(s) made, and who made the change(s). The County should routinely review these reports to determine that access was appropriate and that data was not improperly altered.
- That the County take prudent steps to properly secure their production servers from unauthorized access using the remote access software installed on their system. We recommend consideration of security practices published by respected authorities in the field, such as the CERT Security Module entitled:

Outsourcing Managed Security Services  
(<http://www.cert.org/archive/pdf/omss.pdf>)

- That the County negotiate an updated contract and software maintenance agreement with the Vendor. During this process the County's legal counsel should consider how to protect the County's interests in the event that errors or fraud occur as a result of Vendor employees accessing the County's data. Further, in accordance with the CERT document cited above, the following computer security issues should be considered for inclusion in the contract:



CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 3 - Inadequate Internal Controls Over Computer System - Prothonotary (Continued)

- Assurances that vulnerabilities to known forms of attack have been addressed in the contractor software (i.e., all security patches have been updated and applied), assertions that contractor software is installed and configured to operate securely, and warranties that no malicious code (i.e., Trojan Horses) or viruses exist in contractor software.
- The remote access method, the user authentication process, and a requirement that the contractor communicate securely with the County's site when operating remotely.
- The ability to restrict systems administrator-level access to authorized users, as well as the ability to log appropriate activities for purposes of detecting intrusions and attempted intrusions.
- A recently completed security evaluation of the contractor encompassing the technology being selected.
- A non-disclosure agreement if the contractor may encounter proprietary information on the County's systems.
- That the County always maintain an updated contract so as to provide appropriate legal recourse in the event of disputes with the Vendor.

Management's Response

The Clerk of the Court/Prothonotary responded as follows:

This was discussed with the county's IT department.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
MIFFLIN COUNTY  
COMMENT  
FOR THE PERIOD  
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Comment - Compliance With Prior Examination Recommendations

During our prior examination, we recommended:

- That all records are available for examination.
- That all receipts are available for review.

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

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
MIFFLIN COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2008 TO DECEMBER 31, 2011

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 Tammy J. Stuck                      Clerk of the Court of Common Pleas/  
Prothonotary

The Honorable Mark A. Sunderland              Chairperson of the Board of Commissioners

The Honorable Timothy Searer                      President Judge

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