

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/PROBATION DEPARTMENT

HUNTINGDON COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2007 TO DECEMBER 31, 2011



CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/PROBATION DEPARTMENT

HUNTINGDON COUNTY

EXAMINATION REPORT

FOR THE PERIOD

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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/Probation Department, Huntingdon County, Pennsylvania (County Officers), for the period January 1, 2007 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 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, 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 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 Internal Controls Over Receipts - Probation Department.

Independent Auditor's Report (Continued)

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 Officers' 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 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*.

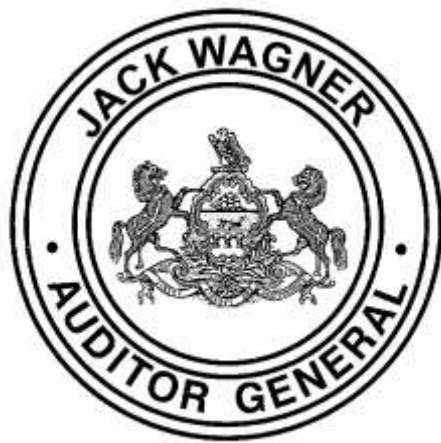
We are concerned in light of the Director of the Probation Department's failure to correct a previously reported finding regarding inadequate internal controls over receipts. These significant deficiencies increase the risk for funds to be lost or misappropriated. The Director should strive to implement 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.

A handwritten signature in black ink that reads "Jack Wagner". The signature is written in a cursive, flowing style.

August 14, 2012

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS/
PROBATION DEPARTMENT
HUNTINGDON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2011

Receipts:

Department of Transportation		
Title 75 Fines	\$	154,826
Department of Revenue Court Costs		37,769
Crime Victims' Compensation Costs		103,267
Crime Commission Costs/Victim Witness Services Costs		76,190
Domestic Violence Costs		8,772
Emergency Medical Services Fines		7,636
DUI - ARD/EMS Fees		11,940
CAT/MCARE Fund Surcharges		59,569
Judicial Computer System/Access to Justice Fees		35,416
Offender Supervision Fees		446,450
Constable Service Surcharges		38
Criminal Laboratory Users' Fees		8,018
Probation and Parole Officers' Firearm Education Costs		8,421
Substance Abuse Education Costs		100,491
Office of Victims' Services Costs		19,218
Miscellaneous State Fines and Costs		<u>124,217</u>
Total receipts (Note 2)		1,202,238
Disbursements to Commonwealth (Note 4)		<u>(1,202,238)</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, 2011	\$	<u><u>-</u></u>

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

PROTHONOTARY
HUNTINGDON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2011

Receipts:

Writ Taxes	\$	2,344
Divorce Complaint Surcharges		6,670
Judicial Computer System/Access To Justice Fees		68,973
Protection From Abuse Surcharges and Contempt Fines		675
Criminal Charge Information System Fees		<u>2,943</u>
Total Receipts (Note 2)		81,605
Commissions (Note 3)		<u>(70)</u>
Net Receipts		81,535
Disbursements to Commonwealth (Note 4)		<u>(81,535)</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, 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/PROBATION DEPARTMENT
HUNTINGDON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 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/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 increased to \$23.50 for the period December 8, 2009 to December 31, 2014.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/PROBATION DEPARTMENT
HUNTINGDON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
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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, \$7.00 for the period January 1, 2008 to December 31, 2010, and \$7.50 for the period January 1, 2011 to December 31, 2011. 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 DEPARTMENT
 HUNTINGDON COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
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4. Disbursements

Clerk Of The Court Of Common Pleas/Probation Department

Total disbursements are comprised as follows:

Probation Department checks issued to:

Department of Revenue	\$ 1,201,958
Department of Transportation	48
Office of Attorney General	20
Department of Public Welfare	75
State Police	<u>137</u>
 Total	 <u><u>\$ 1,202,238</u></u>

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 78,592
Adminstrative Office of Pennsylvania Courts	<u>2,943</u>
 Total	 <u><u>\$ 81,535</u></u>

5. Balance Due Commonwealth (County) For The Period January 1, 2007 To December 31, 2011

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

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/
PROTHONOTARY/PROBATION DEPARTMENT
HUNTINGDON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
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6. County Officers Serving During Examination Period

Kay Coons served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2007 to December 31, 2011.

Thomas R. Guisler served as the Director of the Probation Department for the period January 1, 2007 to December 31, 2011.

PROBATION DEPARTMENT
HUNTINGDON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2011

Finding - Inadequate Internal Controls Over Receipts - Probation Department

Our examination of the accounting records for the office disclosed the following deficiencies in the internal controls over receipts:

- Of 40 receipts tested, 7 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from three days to seven days.
- Of the 25 manual receipts tested, there were 7 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 3 days to 81 days.
- Of the 25 manual receipts tested, there were 3 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

A good system of internal controls ensures that:

- All monies collected are deposited intact at the bank on the same day as collected.
- 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.

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

These conditions existed because the office failed to establish adequate internal controls over its receipts.

The condition relating to receipts not always being deposited on the same day as collected was cited in our last three audit periods, the most recent ending December 31, 2006.

PROBATION DEPARTMENT
HUNTINGDON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2011

Finding - Inadequate Internal Controls Over Receipts - Probation Department (Continued)

Recommendation

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

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the Probation Department comply with our recommendation. The failure to implement the recommendation in this finding increases the possibility of funds being lost or misappropriated significantly.

PROBATION DEPARTMENT
HUNTINGDON COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2011

Comment - Compliance With Prior Examination Recommendations

During our prior examination, we recommended:

- That the deposit slip identify each check and the total amount of cash deposited.
- That the office copy of each deposit should be brought to the bank to be validated.

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



CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY/PROBATION DEPARTMENT
HUNTINGDON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2007 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 Kay Coons	Clerk of the Court of Common Pleas/ Prothonotary
Mr. Thomas R. Guisler	Director, Probation Department
The Honorable Stewart L. Kurtz	President Judge
The Honorable Gary A. O’Korn	Chairperson of the Board of Commissioners

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.