

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY

INDIANA COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2004 TO DECEMBER 31, 2006

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## Independent Auditor's Report

The Honorable Stephen H. Stetler  
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, Indiana County, Pennsylvania (County Officer), for the period January 1, 2004 to December 31, 2006, 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 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)

As discussed in Finding No. 2, there were inadequate internal accounting controls over manual receipts. These inadequate control weaknesses limited the scope of our examination of the Clerk of the Court of Common Pleas' Statement, and we were unable to satisfy ourselves by other examination procedures.

In our opinion, except for the effects, if any, of the matters in the preceding paragraph, 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 ended December 31, 2006, 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 Bank Accounts – Clerk Of The Court Of Common Pleas/Prothonotary.
- Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of Common Pleas.

### 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 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*. However, we did note an other matter that, while not required to be included in this report by *Government Auditing Standards*, has been included in the finding below:

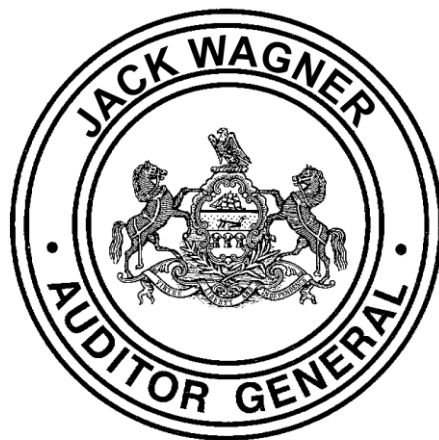
- Inadequate Assessment Of Costs And Fees - Clerk Of The Court Of Common Pleas.

We are concerned in light of the County Officer's failure to correct a previously reported finding regarding inadequate internal controls over the bank accounts. Additionally, during our current examination, we noted a weakness in the internal controls over manual receipts and assessment of costs and fees that need corrective action. These significant deficiencies increase the risk for funds to be lost or misappropriated. Furthermore, the inadequate assessment of costs and fees has resulted in the defendant not being assessed the proper amount of costs and fees associated with the violation; and/or a loss of revenue to the Commonwealth and County. The County Officer should strive to implement the recommendations 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 Officer and is not intended to be and should not be used by anyone other than these specified parties.

March 16, 2009

JACK WAGNER  
Auditor General



CLERK OF THE COURT OF COMMON PLEAS  
INDIANA COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

Receipts:

Department of Transportation		
Title 75 Fines	\$	142,651
Overweight Fines		247
Costs		741
Department of Revenue Court Costs		53,793
Crime Victims' Compensation Costs		129,472
Crime Commission Costs/Victim Witness Services Costs		103,783
Department of Public Welfare		
Domestic Violence Costs		13,105
Costs		12,974
Emergency Medical Services Fines		8,924
DUI - ARD/EMS Fees		23,878
CAT/MCARE Fund Surcharges		93,326
Judicial Computer System/Access to Justice Fees		26,267
Offender Supervision Fees		421,899
Constable Service Surcharges		851
Criminal Laboratory Users' Fees		70,657
State Police Costs		2,433
Office of Inspector General Costs		1,325
Office of Attorney General Costs		5,327
Probation and Parole Officers' Firearm Education Costs		12,194
Substance Abuse Education Costs		107,872
Office of Victims' Services Costs		8,796
Miscellaneous State Fines and Costs		<u>14,787</u>
Total receipts (Note 2)	\$	1,255,302
Disbursements to Commonwealth (Note 4)		<u>(1,255,302)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2004 to December 31, 2006	\$	<u><u>-</u></u>

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

PROTHONOTARY  
INDIANA COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

Receipts:

Writ Taxes	\$ 1,641
Divorce Complaint Surcharges	6,390
Judicial Computer System/Access To Justice Fees	42,670
Protection From Abuse Surcharges and Contempt Fines	400
Criminal Charge Information System Fees	<u>2,264</u>
Total Receipts (Note 2)	53,365
Commissions (Note 3)	<u>(49)</u>
Net Receipts	53,316
Disbursements to Commonwealth (Note 4)	<u>(53,316)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2004 to December 31, 2006	<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  
INDIANA COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

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.

CLERK OF THE COURT OF COMMON PLEAS/  
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NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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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 \$5.00 for the period January 1, 2004 to December 31, 2004, \$6.00 for the period January 1, 2005 to December 31, 2005, and \$6.50 for the period January 1, 2006 to December 31, 2006. 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	\$ 1,232,502
Department of Public Welfare	12,974
Office of Attorney General	5,327
State Police	2,433
Office of Inspector General	1,325
Department of Transportation	<u>741</u>
Total	<u><u>\$ 1,255,302</u></u>

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 51,052
Administrative Office of Pennsylvania Courts	<u>2,264</u>
Total	<u><u>\$ 53,316</u></u>

5. Balance Due Commonwealth (County) For The Period January 1, 2004 To December 31, 2006

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.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
INDIANA COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
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5. Balance Due Commonwealth (County) For The Period January 1, 2004 To December 31, 2006 (Continued)

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 Officer Serving During Examination Period

Linda J. Moore-Mack served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2004 to December 31, 2006.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
INDIANA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

Finding No. 1 - Inadequate Internal Controls Over Bank Accounts - Clerk Of The Court Of  
Common Pleas/Prothonotary

Our examination revealed that there were significant internal control weaknesses over the Clerk of the Court's and Prothonotary's bank accounts. These weaknesses included:

- There was no accountability over undisbursed funds. Recorded obligations exceeded funds on hand by approximately \$3,275 as of December 31, 2006 in the Clerk of the Court's office.
- As of December 31, 2006, there were unidentified liabilities totaling \$3,042 in the Clerk of the Court's office. This total was listed under the accounts titled "Bank Account Adjustment - Unknown Recipient" and "Credit - Unknown Recipient" on the Undisbursed Escrow Summary report.
- As of December 31, 2006, the Prothonotary's adjusted bank account balance was \$55,112. Because the Prothonotary's office did not have accountability over undisbursed funds, a reconciliation of funds on hand and liabilities could not be performed.
- There were 73 outstanding checks totaling \$5,545, dated from 1994 to October 2005, in the Clerk of the Court's bank account and there were 14 outstanding checks, totaling \$316, dated from May 1996 to October 2005, in the Prothonotary's bank account, that were still outstanding as of December 31, 2006.

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

A good system of internal controls ensures that:

- All liabilities are identified and disbursed timely. Additionally, the ending adjusted bank balance should be reconciled with liabilities on a monthly basis and any discrepancies should be immediately investigated and resolved. Since the bank account of the office is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 1 - Inadequate Internal Controls Over Bank Accounts - Clerk Of The Court Of  
Common Pleas/Prothonotary (Continued)

- Adequate procedures are established to follow-up on all outstanding checks. If a check is outstanding for over 90 days, efforts should be made to locate the payee. If efforts to locate the payee are unsuccessful, the amount of the check should be removed from the outstanding checklist, added back to the checkbook balance, and subsequently held in escrow for unclaimed escheatable funds.

Without a good system of internal controls over the bank account, the potential is increased for funds to be lost or misappropriated.

These conditions were cited in prior audits as follows:

Audit period January 1, 1996 to December 31, 1997:

- Inadequate Internal Control Over Funds Held In Escrow - Prothonotary.
- Inadequate Internal Controls Over Bank Accounts - Clerk Of The Court.

Audit period January 1, 1998 to December 31, 2000:

- Inadequate Internal Controls Over Bank Accounts - Clerk Of The Court Of Common Pleas/Prothonotary.

Audit period January 1, 2001 to December 31, 2003:

- Inadequate Internal Controls Over Bank Accounts - Clerk Of The Court Of Common Pleas/Prothonotary.

Recommendation

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

Auditee Response

No formal response given at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of  
Common Pleas

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.

In performing our examination, we noted the following weaknesses in the internal controls over manual receipts:

- Of 25 receipts tested, there were 3 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 13 days to 20 days.
- Of 25 receipts tested, there was 1 instance in which the wrong manual receipt number was entered into the computer system when the corresponding computer receipt was generated.
- Manual receipts did not have a pre-printed receipt number on them. Additionally, there was no documentation, verification, or accountability as to the number of manual receipts purchased. Therefore, we were unable to verify the number of manual receipts issued.
- A manual receipt log was not maintained.

Good internal accounting controls ensure that:

- 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. This will link the manual receipt to the computer receipt.
- Manual receipts should be pre-numbered, accounted for, and maintained.

CLERK OF THE COURT OF COMMON PLEAS/  
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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of  
Common Pleas (Continued)

- 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.

These conditions existed because the office 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 potential is increased for funds to be lost or misappropriated.

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

No formal response was offered at this time.



CLERK OF THE COURT OF COMMON PLEAS  
INDIANA COUNTY  
FINDINGS AND RECOMMENDATIONS  
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Finding No. 3 - Inadequate Assessment Of Costs And Fees - Clerk Of The Court Of Common Pleas

Our examination disclosed that the office did not assess certain costs and fees as mandated by law. Of 70 cases tested, we noted the following discrepancies:

- Seven cases in which the JCS/ATJ Fee was assessed in error.
- Five cases in which the Domestic Violence Cost was assessed in error.
- Two cases in which the DNA Cost was not assessed.

The following state statutes address the assessment of costs and fees that were not properly assessed:

- Title 42 Pa. C.S.A. § 3733 provides for the collection of Judicial Computer System/Access to Justice Fees (JCS/ATJ). It should be noted that these fees should not be assessed on Accelerated Rehabilitative Disposition (ARD) cases.
- 71 P.S. § 611.13 (b) authorizes a \$10 Domestic Violence Cost to be assessed against any person who pleads guilty or nolo contendere or who is convicted of a crime as defined in 71 P.S. § 611.13 (e).
- Effective January 31, 2005, Title 44 P.S. § 2322, specifies that all felonies, regardless of offense, and misdemeanors for § 2910 (Relating to luring a child into a motor vehicle), and § 3126 (relating to indecent assault) authorizes the automatic assessment of a \$250 cost after the DNA sample is taken. All DNA costs are due the Commonwealth.

The improper assessing of these costs and fees resulted in the defendant not being assessed the proper amount of costs and fees associated with the violation; and/or a loss of revenue to the Commonwealth and County.

These incorrect assessments occurred because the office was not aware or up-to-date on laws and regulations regarding the proper assessment of Commonwealth costs and fees.

CLERK OF THE COURT OF COMMON PLEAS  
INDIANA COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

Finding No. 3 - Inadequate Assessment Of Costs And Fees - Clerk Of The Court Of Common  
Pleas (Continued)

Recommendation

We recommend that the office review the laws noted above to ensure that costs and fees are assessed as mandated by law.

Management's Response

No formal response was offered at this time.

CLERK OF THE COURT OF COMMON PLEAS/  
PROTHONOTARY  
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REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2004 TO DECEMBER 31, 2006

This report was initially distributed to:

The Honorable Stephen H. Stetler  
Secretary  
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines  
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The Honorable Robert M. McCord

Pennsylvania State Treasurer

The Honorable Linda J. Moore-Mack

Clerk of the Court of Common Pleas/  
Prothonotary

The Honorable William J. Martin

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