

ATTESTATION ENGAGEMENT

Clerk of the Court of Common Pleas and Adult Probation Department

Schuylkill County, Pennsylvania

For the Period

May 1, 2014 to December 31, 2015

November 2019



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 C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas and the Adult Probation Department, Schuylkill County, Pennsylvania (County Officer), for the period May 1, 2014 to December 31, 2015, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). The County Office's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on this Statement 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(b) 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 Section 401(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above, for the period May 1, 2014 to December 31, 2015 is presented in accordance with the criteria set forth in Note 1, in all material respects.

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 Statement; 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 Statement. 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 Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement 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 Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be material weaknesses:

- Bank Deposit Slips Were Not Validated By The Bank - Clerk of the Court of Common Pleas.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the County Office'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*.

Independent Auditor's Report (Continued)

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. This report is not suitable for any other purposes.

We appreciate the courtesy extended by Mr. Thomas Campion, Esquire, Former Clerk of the Court of Common Pleas, Schuylkill County, to us during the course of our examination. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.



Eugene A. DePasquale
Auditor General

October 2, 2019

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CLERK OF THE COURT OF COMMON PLEAS
AND ADULT PROBATION DEPARTMENT
SCHUYLKILL COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

Receipts:

Department of Transportation		
Title 75 Fines	\$	76,080
Overweight Fines		429
Department of Revenue Court Costs		28,644
Crime Victims' Compensation Costs		89,232
Crime Commission Costs/Victim Witness Services Costs		66,066
Domestic Violence Costs		6,333
Emergency Medical Services Fines		8,368
DUI - ARD/EMS Fees		7,839
CAT/MCARE Fund Surcharges		43,840
Judicial Computer System/Access to Justice Fees		75,063
Offender Supervision Fees		429,852
Constable Service Surcharges		121
Criminal Laboratory Users' Fees		9,985
Probation and Parole Officers' Firearm Education Costs		5,759
Substance Abuse Education Costs		53,650
Office of Victims' Services Costs		47,007
Miscellaneous State Fines and Costs		<u>123,368</u>
 Total receipts (Note 2)		 1,071,636
 Disbursements to Commonwealth (Note 3)		 <u>(1,071,636)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period May 1, 2014 to December 31, 2015		 <u><u>\$ -</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS
AND ADULT PROBATION DEPARTMENT
SCHUYLKILL COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was 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

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 and Adult Probation Department.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of Courts checks issued to:

Department of Revenue	\$ 1,070,101
Office of Attorney General	423
State Police	309
Department of General Services	63
Department of Transportation	468
Department of Public Welfare	80
Liquor Control Board	192
Total	\$ 1,071,636

CLERK OF THE COURT OF COMMON PLEAS
AND ADULT PROBATION DEPARTMENT
SCHUYLKILL COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

4. Balance Due Commonwealth County For The Period May 1, 2014 To December 31, 2015

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.

5. County Officers Serving During Examination Period

Paul Steffanic served as acting Clerk of the Court of Common Pleas for the period May 1, 2014 to September 25, 2014.

Thomas J. Campion, Jr., CPA, Esquire served as the Clerk of the Court of Common Pleas for the period September 26, 2014 to December 31, 2015.

John M. Richmond served as Chief Probation Officer for the period May 1, 2014 to July 30, 2014.

Joseph Szeliga served as Chief Probation Officer for the period August 1, 2015 to December 31, 2015.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

Finding - Bank Deposit Slips Were Not Validated By The Bank - Clerk of the Court of Common Pleas

Condition

Our examination of the office's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 12 of the 15 deposits tested. The office received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make up of the deposit (i.e. cash and check mix).

Criteria

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated. If the bank cannot validate the deposit slip, the office should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the office receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

Effect

The failure to implement this procedure increases the possibility of funds being lost or misappropriated.

Cause

A discussion with the prior officeholder indicated that the bank no longer validated deposit slips as to the mix of cash and checks.

Recommendations

We recommend that the office obtain a validation from the bank as to the mix of cash and checks deposited. We further recommend that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

Management's Response

The former County Officer responded as follows:

The method for making/validating deposits changed during my time in office. I was unaware that the validation method being done by the Treasurer's Office was not sufficient in light of the bank no longer validating the deposits.

CLERK OF THE COURT OF COMMON PLEAS
AND THE ADULT PROBATION DEPARTMENT
SCHUYLKILL COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that the Clerk of Courts office (and the Adult Probation Department for the second bullet):

- Establish and implement an adequate system of internal controls over receipts.
- Establish and implement adequate internal controls over manual receipts.
- Provide for greater segregation of duties.
- Establish and implement an adequate system on internal controls over the bank account.
- Remit all state agency restitution through the Department of Revenue.

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

CLERK OF THE COURT OF COMMON PLEAS
AND THE ADULT PROBATION DEPARTMENT
SCHUYLKILL COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
MAY 1, 2014 TO DECEMBER 31, 2015

This report was initially distributed to:

The Honorable C. Daniel Hassell
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 Maria Casey
Clerk of the Court of Common Pleas

Mr. Joseph Szeliga
Chief Probation Officer

Mr. Thomas J. Champion, Jr., CPA, Esquire
Former Clerk of the Court of Common Pleas

The Honorable Christy Joy
Controller

The Honorable George F. Halcovage, Jr.
Chairperson of the Board of Commissioners

The Honorable William E. Baldwin
President Judge

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.