

COMPLIANCE AUDIT

Clerk of the Court of Common Pleas/Bureau of Fines and Costs and Probation Services Dauphin County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

January 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

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

We have conducted a compliance audit of the Clerk of the Court of Common Pleas, Bureau of Fines and Costs, and Probation Services, Dauphin County, Pennsylvania (County Officers), for the period January 1, 2018 to December 31, 2021, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the County Officers account. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The County Officers are responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The County Officers are also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officers, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

- Inadequate Outstanding Check Procedures - Bureau of Fines and Costs - Recurring
- Inadequate Internal Controls Over Manual Receipts - Bureau of Fines and Costs

This report includes a summary of the County Officers' receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the County Officers' receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's clerk of court of common pleas offices and used the data to create the summary in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the County Officers' compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summary; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summary.

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.

The contents of this report were discussed with the management of the County Officers and, where appropriate, their response has been included in the report. We appreciate the courtesy extended to us by the Clerk of the Court of Common Pleas, Bureau of Fines and Costs, and Probation Services, Dauphin County, during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
November 22, 2022

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CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

The Department of Auditor General is mandated by Article IV, Section 401(b) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

Clerk of Court of Common Pleas, Bureau of Fines and Costs, and Probation Services 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 Court of Common Pleas, Bureau of Fines and Costs, and Probation Services Office.

Total disbursements during the audit period are comprised as follows:

Clerk of Court, Bureau of Fines and Costs, and Probation checks issued to:

Department of Revenue	\$ 11,500,981
Department of Probation & Parole	454
Department of General Services	1,041
Liquor Control Board	<u>256</u>
Total	<u><u>\$ 11,502,732</u></u>

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.

Dale Klein served as the Clerk of the Court of Common Pleas for the period January 1, 2018 to December 31, 2021.

Mariann Lawrence served as the Director of the Bureau of Fines and Costs from January 1, 2018 to December 9, 2021.

Amanda Carter served as the Director of the Bureau of Fines and Costs from December 27, 2021 to December 31, 2021.

Chadwick Libby served as the Director of Probation Services from January 1, 2018 to December 31, 2021.

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The summary 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 summary 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.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
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SUMMARY OF RECEIPTS AND DISBURSEMENTS
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Receipts:

Department of Transportation		
Title 75 Fines	\$	559,071
Department of Revenue Court Costs		280,277
Crime Victims' Compensation Costs		761,764
Crime Commission Costs/Victim Witness Services Costs		827,781
Domestic Violence Costs		78,264
Emergency Medical Services Fines		51,539
DUI - ARD/EMS Fees		43,180
CAT/MCARE Fund Surcharges		128,916
Judicial Computer System/Access to Justice Fees		587,878
Offender Supervision Fees		2,591,516
Constable Service Surcharges		209
Criminal Laboratory Users' Fees		131,728
Probation and Parole Officers' Firearm Education Costs		51,577
Substance Abuse Education Costs		383,683
Office of Victims' Services Costs		159,164
Miscellaneous State Fines and Costs		<u>4,866,185</u>
 Total receipts		 11,502,732
 Disbursements to Commonwealth		 <u>(11,502,732)</u>
 Balance due Commonwealth (County) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	 \$	 <u><u>-</u></u>

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
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DAUPHIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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**Finding No. 1 - Inadequate Outstanding Check Procedures - Bureau of Fines and Costs -
Recurring**

We cited the issue of inadequate outstanding check procedures in the prior audit, for the period January 1, 2014 to December 31, 2017. Our current audit found that the office did not correct this issue.

Our audit of the accounting records disclosed that the office was carrying 1,789 outstanding checks totaling \$107,211.36 dated from January 7, 2019, to July 2, 2021, that were still outstanding as of December 31, 2021. The time lapse ranged from 182 days to 1,089 days.

This condition existed because the office failed to establish and implement an adequate system of internal controls over long outstanding checks as recommended in our previous audit report. The office continued its longstanding practice of following Commonwealth unclaimed property guidelines and escheated checks over three years old on an annual basis.

Good internal accounting controls require that the office follow-up on all outstanding checks. If a check is outstanding for a period over 180 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 outstanding checks, the possibility of funds being lost or misappropriated increases significantly. Also, the failure to follow-up on outstanding checks results in a weakening of internal controls over the cash account and inefficiency caused by the needless record-keeping of outstanding checks.

Recommendation

We again strongly recommend that the office establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 180 days are unsuccessful, the office should reinstate the amount of outstanding checks to the checking account and subsequently hold these monies in escrow for unclaimed escheatable funds.

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**Finding No. 1 - Inadequate Outstanding Check Procedures - Bureau of Fines and Costs
Recurring (Continued)**

Management's Response

The County Officer responded as follows:

Our office underwent a bank change. As a result, outstanding checks were reissued from the new bank account. This office is also in contract with a company to process restitution payments via debit card. This new process will significantly reduce, if not eliminate, issues with outstanding check procedures. Once in place, restitution will be disbursed through a debit card and as a result will eliminate most paper restitution checks and thereby any issues with long outstanding checks.

Auditor's Conclusion

We appreciate the office's efforts to correct this issue. This is a recurring finding. It is imperative that this office establishes adequate internal controls over outstanding checks. This deficiency increases the risk for funds to be lost or misappropriated. During our next audit, we will determine if the office has complied with our recommendation.

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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts- Bureau of Fines and Costs

Manual receipts generated through the Common Pleas Case Management System (CPCMS) are available to be issued in the event of a temporary power loss to the office's computer system. Once the computer system is available, the manual receipt information should be entered into the CPCMS system. The manual receipt should then be replaced by a computer-generated receipt and included with the daily receipts collected. Both the manual receipt and the computer-generated receipt should be filed together and maintained accordingly.

Our audit disclosed the following deficiencies in the internal controls over CPCMS manual receipts:

- There were 2,492 CPCMS manual receipts which were transferred from the Probation Services Department to the Fines and Costs Department on June 1, 2018 that could not be located and were not available for audit.
- The Bureau of Fines and Costs satellite office used CPCMS generated manual receipts to record Electronic Monitoring (EM) payments that are collected at the satellite office instead of using them for when the computer is down.

In addition, our audit found that the Bureau of Fines and Costs main office at the courthouse utilized county issued manual receipts instead of the CPCMS generated manual receipts when the computer system is down.

In addition, of the 25-county issued (non-CPCMS) manual receipts tested, we noted the following:¹

- There were 21 county issued manual receipts which could not be located and were not available for audit.
- There were 20 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 two days to nine days.
- There were five instances in which the manual receipt log was not properly completed.

¹ We could not readily determine the number of non-CPCMS manual receipts issued during the period from the documentation available.

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- There were two instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Bureau of Fines and Costs (Continued)

Good internal accounting controls ensure that:

- All manual receipts are accounted for and maintained.
- Computer receipts are generated timely after the issuance of the corresponding manual receipts.
- A manual receipts log is 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.
- CPCMS generated manual receipts are only used for computer downtime.

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

Adherence to good internal accounting controls would have ensured adequate internal controls over manual receipts.

These conditions existed because the office stated that they unexpectedly lost the Director and had difficulty resuming operations which resulted in misplaced or erroneously destroyed manual receipts. The office also believed it was acceptable to issue large numbers of manual receipts as a standard procedure while the computer system was operational. In addition, they stated that, because EM collections are regularly received prior to the recording of the corresponding docket case in the computer system, a manual receipt is used because there is no case established in the computer for the funds to be recorded against.

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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts (Bureau of Fines and Costs) (Continued)

Recommendation

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

Management's Response

The County Officer responded as follows:

Our office is working to eliminate manual receipts as a whole and as a result of District Justice orders, requiring probation Electronic Monitoring. Payments are not to be taken until a Miscellaneous Docket (MD) has been created by either probation or the fines and costs department. Probation and Fines and Costs are working closely to establish a streamline process for this to occur. This should address any issues with manual receipting, including the proper documentation and time lapse issues, by eliminating manual receipting in these cases.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct these issues. During our next audit, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
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SUMMARY OF PRIOR AUDIT RECOMMENDATION
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Summary Of Prior Audit Recommendation

During our prior audit, we recommended that:

- The Bureau of Fines and Costs establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 90 days (this has changed to 180 days since the last audit) are unsuccessful, the office should reinstate the amount of outstanding checks to the checking account and subsequently hold these monies in escrow for unclaimed escheatable funds.

During our current audit, we noted that the office did not comply with our recommendation. Please see the current year Finding No. 1 for additional information.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
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REPORT DISTRIBUTION
FOR THE PERIOD
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This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
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

Ms. Patti Sites
Acting Clerk of the Court of Common Pleas

Ms. Amanda Carter
Director
Bureau of Fines and Costs

Mr. Chadwick Libby
Director
Probation Services

The Honorable Mary Bateman
Controller

The Honorable Mike Pries
Chairperson of the Board of Commissioners

The Honorable John Cherry
President Judge

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