

# ATTESTATION ENGAGEMENT

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## Clerk of the Court of Common Pleas and Adult Probation and Parole Services Collections Enforcement Unit Lancaster County, Pennsylvania For the Period January 1, 2014 to December 31, 2017

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December 2019



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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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 Adult Probation and Parole Services: Collections Enforcement Unit, Lancaster County, Pennsylvania (County Officers), for the period January 1, 2014 to December 31, 2017, 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)

As discussed in Finding No. 1, we could not determine a complete population of manual receipts issued by the Adult Probation and Parole Services: Collections Enforcement Unit. As a result, we could not perform our standard examination procedures. As such, the scope of our examination of the Clerk of the Court of Common Pleas and Adult Probation and Parole Services: Collections Enforcement Unit 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 matter discussed in the preceding paragraph, the Clerk of the Court of Common Pleas and Adult Probation and Parole Services: Collections Enforcement Unit Statement referred to above presents, in all material respects, the operations of the County Officers as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2014 to December 31, 2017, in conformity with the criteria set forth in Note 1.

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 and a significant deficiency.

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 deficiencies listed below to be material weaknesses:

- Inadequate Internal Controls Over Manual Receipts - Adult Probation Collections Enforcement Unit.
- Inadequate Internal Controls Over Manual Receipts - Clerk of the Court of Common Pleas.

Independent Auditor's Report (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency listed below to be a significant deficiency:

- Inadequate Outstanding Check Procedures - 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*.

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 the Clerk of the Court of Common Pleas and Adult Probation and Parole Services: Collections Enforcement Unit, Lancaster 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

September 25, 2019

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CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

Receipts:

Department of Transportation		
Title 75 Fines	\$	557,775
Overweight Fines		13,286
Department of Revenue Court Costs		242,603
Crime Victims' Compensation Costs		710,404
Crime Commission Costs/Victim Witness Services Costs		507,766
Domestic Violence Costs		49,806
Emergency Medical Services Fines		95,591
DUI - ARD/EMS Fees		63,985
CAT/MCARE Fund Surcharges		423,948
Judicial Computer System/Access to Justice Fees		502,511
Offender Supervision Fees		2,185,631
Constable Service Surcharges		7,455
Criminal Laboratory Users' Fees		177,327
Probation and Parole Officers' Firearm Education Costs		54,366
Substance Abuse Education Costs		478,345
Office of Victims' Services Costs		336,259
Miscellaneous State Fines and Costs		<u>1,536,901</u>
 Total receipts (Note 2)		 7,943,959
 Disbursements to Commonwealth (Note 3)		 <u>(7,943,959)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments (Note 5)		 <u>(8)</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2014 to December 31, 2017	\$	 <u><u>(8)</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 AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

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.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 7,861,406
Commonwealth of PA	26,571
Game Commission	3,249
Office of Attorney General	1,109
State Police	19,330
Commission on Crime and Delinquency	580
Department of Insurance	250
Department of Transportation	5,734
Department of Public Welfare	11,900
Department of Labor and Industry	10,940
Liquor Control Board	2,643
Office of Inspector General	247
Total	\$ 7,943,959

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

4. Balance Due Commonwealth (County) For The Period January 1, 2014 To December 31, 2017

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. It does not reflect adjustments disclosed by our examination. Refer to Note 5.

5. Examination Adjustment

The \$8 examination adjustment represents the difference from a \$2,500 bail account that was forfeited to the Commonwealth then reinstated by a judge. This amount was never returned to the County so the office withheld other state bail forfeitures totaling \$2,492.

6. Prior Examination Period Balance Due

We noted that there was a prior examination balance due the County of \$2,255 which was not taken as of the end of our current examination period.

7. County Officer Serving During Examination Period

Joshua Parsons served as the Clerk of the Court of Common Pleas for the period January 1, 2014 to December 31, 2015.

Jacquelyn Pfursich served as the Clerk of the Court of Common Pleas for the period January 1, 2016 to December 31, 2017.

Chris Reed served as the Collections Enforcement Unit Supervisor for the period January 1, 2014 to July 11, 2016.

Andrew Wagner served as the Collections Enforcement Unit Supervisor for the period August 22, 2016 to December 31, 2017.



CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Adult Probation and Parole Services Collections Enforcement Unit**

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.

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

- There were 200 manual receipts, within the series of 14,489 manual receipts available to be issued during the examination period, which could not be located and were not available for examination.
- A manual receipt log was not maintained from January 1, 2014 to October 1, 2015 and was incomplete thereafter. The date filed, signature of the person receiving the payment, payment source, and payment method were not included in the manual receipt log.

Of 25 receipts tested, we also noted the following:

- There were 25 instances in which the source and/or the method of payment was not recorded on the manual receipt.
- There were 16 receipts tested after the inception of the manual receipts log in October, 2015. In each case the manual receipt log did not contain required information. The date filed, signature of the person receiving the payment, payment source, and payment method were not included on the manual receipt log.
- There was one instance where the docket number recorded on the manual receipt log did not agree with manual receipt.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
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JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Adult Probation and Parole Services Collections Enforcement Unit (Continued)**

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- 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.
- All required information is recorded on the manual receipt, including date issued, date filed, signature of the person receiving the payment, remitter name, docket number, payment source, and payment method.
- The information on the manual receipt should agree with the information on the manual receipts log.

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 receipts.

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

**Recommendation**

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

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
FINDINGS AND RECOMMENDATIONS  
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JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding No. 1 - Inadequate Internal Controls Over Manual Receipts - Adult Probation and Parole Services Collections Enforcement Unit (Continued)**

Management's Response

The County Officer responded as follows:

Regarding the one instance where the docket number recorded on the manual receipt log did not agree with the manual receipt, this is not an uncommon occurrence. When issuing a manual receipt, it is common practice to write on it only one of a client's docket numbers, even if a client has more than one. Clients that have multiple docket numbers would have them linked together on one payment plan. When the manual receipt payment is able to be entered into CPCMS [Common Pleas Case Management System], the money is applied according to the Unified Distribution System (UDS). Therefore, it is possible that the money is applied to a docket number different from the docket number listed on the manual receipt. When compiling the manual receipt log, the docket numbers recorded are being pulled from CPCMS, which is why the discrepancy can exist.

Auditor's Conclusion

As cited above, good internal accounting controls ensure that a manual receipts log and all manual receipts are maintained, accounted for and properly completed. This will provide an audit trail on the issuance of manual receipts.

During our next examination, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
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JANUARY 1, 2014 TO DECEMBER 31, 2017

**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.

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

- 40 of the 60 manual receipts and corresponding logs available to be issued during the period were not available for examination. Office staff stated that they were destroyed.
- There was one instance in which the office copy of the manual receipt was blank. Our testing found that this was the only manual receipt issued during the exam period.
- There was one instance in which the manual receipts log was not properly completed.

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- All required docket information is recorded on the manual receipt.
- 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.

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 receipts.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
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**Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk of the Court of Common Pleas (Continued)**

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts. The officeholder stated that the missing receipts were destroyed as a result of the chief deputy and office manager practicing on the newly installed CPCMS manual receipting system in 2015 and then mistakenly shredding the first 40 manual receipts and corresponding logs which they believed to be test 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

The County Officer responded as follows:

The Clerk's Office began using manual receipts in CPCMS [Common Pleas Case Management System] in 2015. At the time the chief deputy and office manager logged into CPCMS and practiced using the system. Unfortunately, they did not know that the new system gave each "test receipt" a number. The chief deputy and office manager learned of the mistake but had already shredded the wasted receipts. This information was provided by the office manager. Also, a written explanation is maintained.

Furthermore, this occurred at the start of the CPCMS manual receipting process in 2015. The manual receipts have been accurately maintained since that time.

Auditor's Conclusion

As cited above, good internal accounting controls ensure that a manual receipts log and all manual receipts are maintained, accounted for and properly completed. This will provide an audit trail on the issuance of manual receipts. During our next examination, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding No. 3 - Inadequate Outstanding Check Procedures - Clerk of the Court of Common Pleas**

Our examination of the office checking account disclosed that the office was carrying 1,245 outstanding checks totaling \$52,898.33, dated from March 4, 2015 to July 3, 2017, that were still outstanding as of December 31, 2017. The time lapse ranged from 181 days to 1,033 days.

Good internal accounting controls require that the office follow-up on all outstanding checks. If a check is outstanding for a period 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.

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

This condition existed because the office failed to establish adequate internal controls over its outstanding check procedures.

**Recommendation**

We 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 90 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.

**Management's Response**

The County Officer responded as follows:

The Clerk's Office has appropriate procedures in place to escrow unclaimed checks and ultimately escheat them to the state. This is done on an annual basis, and the audit found that unclaimed checks were being escheated to the state.

Since the audit, procedures were put into place to escheat unclaimed checks to the state more than once a year.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
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JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding No. 3 - Inadequate Outstanding Check Procedures - Clerk of the Court of Common Pleas (Continued)**

Auditor's Conclusion

We appreciate the current officeholder's effort to correct this condition. During our next examination, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND ADULT PROBATION AND PAROLE  
SERVICES COLLECTIONS AND ENFORCEMENT UNIT  
LANCASTER COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2014 TO DECEMBER 31, 2017

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 Jacquelyn Pfursich**  
Clerk of the Court of Common Pleas

**Mr. Andrew Wagner**  
Supervisor  
Adult Probation and Parole Services: Collections and Enforcement Unit

**The Honorable Joseph Torsella**  
Treasurer  
Pennsylvania Office of the State Treasurer

**The Honorable Brian Hurter**  
Controller

**The Honorable Joshua Parsons**  
Chairperson of the Board of Commissioners

**The Honorable Dennis E. Reinaker**  
President Judge

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