

COMPLIANCE AUDIT

Clerk of the Court of Common Pleas Montgomery County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

July 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 Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Clerk of the Court of Common Pleas, Montgomery County, Pennsylvania (County Officer), 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 Officer's 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 Officer is 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 Officer is 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 Officer, 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 finding listed below and discussed later in this report:

- Receipts Were Not Always Deposited On The Same Day As Collected.

This report includes a summary of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the County Officer's 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 Officer's 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 Officer 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, Montgomery 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
June 15, 2023

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CLERK OF THE COURT OF COMMON PLEAS
MONTGOMERY 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 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.

Total disbursements during the audit period are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 9,371,700
Office of Attorney General	6,334
State Police	546
Commission on Crime and Delinquency	1,644
Department of General Services	100
Department of Human Services	51,653
Department of Insurance	11,047
Department of Transportation	13,948
Department of Labor and Industry	7,190
Liquor Control Board	1,128
Office of Inspector General	<u>16,484</u>
Total	<u><u>\$ 9,481,774</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.

Ann Thornburg Weiss served as the Clerk of the Court of Common Pleas for the period January 1, 2018 to December 31, 2019.

Lori Schreiber served as the Clerk of the Court of Common Pleas for the period January 1, 2020 to December 31, 2021.

CLERK OF THE COURT OF COMMON PLEAS
MONTGOMERY COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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
MONTGOMERY COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation		
Title 75 Fines	\$	361,207
Overweight Fines		893
Department of Revenue Court Costs		493,754
Crime Victims' Compensation Costs		937,780
Crime Commission Costs/Victim Witness Services Costs		952,694
Domestic Violence Costs		70,437
Emergency Medical Services Fines		52,935
DUI - ARD/EMS Fees		83,676
CAT/MCARE Fund Surcharges		128,612
Judicial Computer System/Access to Justice Fees		999,129
Offender Supervision Fees		2,905,349
Constable Service Surcharges		1,446
Criminal Laboratory Users' Fees		18,062
Probation and Parole Officers' Firearm Education Costs		70,609
Substance Abuse Education Costs		491,588
Office of Victims' Services Costs		58,812
Miscellaneous State Fines and Costs		<u>1,854,702</u>
 Total receipts		 9,481,685
 Disbursements to Commonwealth		 <u>(9,481,774)</u>
 Balance due Commonwealth (County) per settled reports		 (89)
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021		 <u>\$ (89)</u>

CLERK OF THE COURT OF COMMON PLEAS
MONTGOMERY COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Receipts Were Not Always Deposited On The Same Day As Collected

Our audit of the accounting records for the office disclosed that receipts were not always deposited the same day as collected. Although the total of the 45 receipts tested were deposited, 21 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 five days to 108 days.

A good system of internal controls ensures that all monies collected are deposited intact at the bank on the same day as collected.

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.

Recommendation

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

Management's Response

The County Officer responded as follows:

The dates in question and regarding this finding have been evaluated by our office and the bank. Numerous deposit pickup delays and inconsistent logbook entries by the courier service occurred during the audit timeframe. Several instances were due to Covid related issues, staffing problems, and road and building closures. We are currently negotiating with the bank for a new, secured carrier service.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
MONTGOMERY COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the office:

- Only use manual receipts during instances when the computer system is down as required by AOPC policies and procedures. We further recommended that manual receipts and associated logs be properly accounted for and maintained.
- Establish and implement an adequate system of internal controls over the bank account.

During our current audit, we noted that the office complied with our first bulleted recommendation. However, the office did not comply with our second bulleted recommendation. Please see the current year finding number one for additional information.

CLERK OF THE COURT OF COMMON PLEAS
MONTGOMERY COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

The Honorable Pat Browne
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

The Honorable Lori Schreiber
Clerk of the Court of Common Pleas

The Honorable Karen Sanchez
Controller

The Honorable Kenneth E. Lawrence, Jr.
Chairperson of the Board of Commissioners

The Honorable Carolyn T. Carluccio
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.