



CLERK OF THE COURT OF COMMON PLEAS/
DEPARTMENT OF PROBATION
SERVICES/PROTHONOTARY

CLEARFIELD COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2008 TO DECEMBER 31, 2011

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
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/Department Of Probation Services/Prothonotary, Clearfield County, Pennsylvania (County Officer), for the period January 1, 2008 to December 31, 2011, 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.

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 controls over manual receipts. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the Clerk of the Court of Common Pleas/Department Of Probation Services 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 noted in the preceding paragraph, the Statements referred to above present, 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, 2008 to December 31, 2011, 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 reporting on the Statements:

- Inadequate Outstanding Check Procedures - Department Of Probation Services.
- Inadequate Internal Controls Over Manual Receipts - Department Of Probation Services.

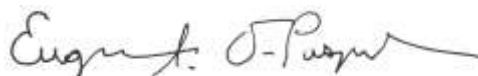
Independent Auditor's Report (Continued)

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. However, of the significant deficiencies described above, we consider the second bulleted finding to be a material weakness.

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 another 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 Fines, Costs, Fees, And Surcharges - Clerk Of The Court Of Common Pleas.

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.



EUGENE A. DEPASQUALE
Auditor General

May 14, 2013

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CLERK OF THE COURT OF COMMON PLEAS/
DEPARTMENT OF PROBATION SERVICES
CLEARFIELD COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

Receipts:

Department of Transportation		
Title 75 Fines	\$	301,183
Department of Revenue Court Costs		55,603
Crime Victims' Compensation Costs		180,643
Crime Commission Costs/Victim Witness Services Costs		112,718
Domestic Violence Costs		17,043
Emergency Medical Services Fines		25,927
DUI - ARD/EMS Fees		14,375
CAT/MCARE Fund Surcharges		139,094
Judicial Computer System/Access to Justice Fees		58,720
Offender Supervision Fees		554,418
Constable Service Surcharges		287
Criminal Laboratory Users' Fees		97,835
Probation and Parole Officers' Firearm Education Costs		13,478
Substance Abuse Education Costs		123,070
Office of Victims' Services Costs		65,041
Miscellaneous State Fines and Costs		<u>231,060</u>
Total receipts (Note 2)		1,990,495
Disbursements to Commonwealth (Note 4)		<u>(1,990,495)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2008 to December 31, 2011	\$	<u><u>-</u></u>

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

PROTHONOTARY
CLEARFIELD COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

Receipts:

Writ Taxes	\$	5,608
Divorce Complaint Surcharges		8,390
Judicial Computer System/Access To Justice Fees		114,347
Protection From Abuse Surcharges and Contempt Fines		6,350
Criminal Charge Information System Fees		<u>4,381</u>
Total Receipts (Note 2)		139,076
Commissions (Note 3)		<u>(168)</u>
Net Receipts		138,908
Disbursements to Commonwealth (Note 4)		<u>(138,908)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2008 to December 31, 2011	\$	<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/DEPARTMENT OF
PROBATION SERVICES/PROTHONOTARY
CLEARFIELD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

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/Department Of Probation Serices

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. These fees were increased to \$23.50 for the period December 8, 2009 to December 31, 2014.

CLERK OF THE COURT OF COMMON PLEAS/DEPARTMENT OF
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CLEARFIELD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

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 \$7 for the period January 1, 2008 to December 31, 2010, and \$7.50 for the period January 1, 2011 to December 31, 2011. 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/DEPARTMENT OF
 PROBATION SERVICES/PROTHONOTARY
 CLEARFIELD COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
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4. Disbursements

Clerk Of The Court Of Common Pleas/Department Of Probation Services

Total disbursements are comprised as follows:

Department Of Probation Serives checks issued to:

Department of Revenue	\$ 1,979,208
Game Commission	8,381
Office of Attorney General	20
State Police	1,684
Department of Public Welfare	85
Department of Treasury	<u>1,117</u>
 Total	 <u><u>\$ 1,990,495</u></u>

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 134,527
Adminstrative Office of Pennsylvania Courts	<u>4,381</u>
 Total	 <u><u>\$ 138,908</u></u>

5. Balance Due Commonwealth (County) For The Period January 1, 2008 To December 31, 2011

Clerk Of The Court Of Common Pleas/Department Of Probation Services

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

CLERK OF THE COURT OF COMMON PLEAS/DEPARTMENT OF
PROBATION SERVICES/PROTHONOTARY
CLEARFIELD COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
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5. Balance Due Commonwealth (County) For The Period January 1, 2008 To December 31, 2011 (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 Officers Serving During Examination Period

William A. Shaw served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2008 to December 31, 2011.

Donald J. McClusick serviced as Director of the Department of Probation Services during the period January 1, 2008 to December 31, 2011.

DEPARTMENT OF PROBATION SERVICES
CLEARFIELD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding No. 1 - Inadequate Outstanding Check Procedures - Department Of Probation Services

Our examination of the checking account disclosed that the office was carrying 1,210 outstanding checks totaling \$69,989.49, dated from May 5, 2006 to June 27, 2011, that were still outstanding as of September 30, 2012.

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:

We agree with said findings and will take measures to comply.

Auditor's Conclusion

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

DEPARTMENT OF PROBATION SERVICES
CLEARFIELD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Department Of Probation Services

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 that required manual receipt procedures were not always followed. Of 25 receipts tested, we noted the following:

- There were 12 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 2 days to 127 days.
- The date issued, source, method of payment, and remitter's name were not recorded on nine manual receipts.
- There were 14 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.
- The manual receipt log sheets for 89 receipts were not available for examination.

Good internal accounting controls ensure that:

- Computer receipts are generated timely after the issuance of the corresponding manual receipts.
- 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.
- Manual receipt numbers are entered in the manual receipt number field in the computer when the corresponding computer receipts are generated.
- 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.

DEPARTMENT OF PROBATION SERVICES
CLEARFIELD COUNTY
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Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Department Of Probation Services (Continued)

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 as noted above.

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:

We agree with said findings and will take measures to comply.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
CLEARFIELD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
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Finding No. 3 - Inadequate Assessment of Fines, Costs, Fees, And Surcharges - Clerk Of The
Court Of Common Pleas

Our examination disclosed that the office did not assess certain fines, costs, fees, and surcharges as mandated by law. Of 55 cases tested, we noted the following discrepancies:

- There was one case in which the Access To Justice Fee was assessed twice in error.
- There were 11 cases in which the Criminal Justice Enhancement Account Fee was assessed in error.
- There were two cases in which the Criminal Justice Enhancement Account Fee was not assessed.
- There were three cases in which the DNA Cost was not assessed.
- There were two cases in which the Substance Abuse Education Cost was not assessed.
- There was one case in which the Substance Abuse Cost and the DNA Cost was not assessed.

In addition to the 55 cases tested above, we tested 20 cases to determine if DNA Costs were assessed and 11 cases to determine if Amber Alert System Costs were assessed and noted the following:

- There were ten cases in which the DNA Cost was not assessed.
- There were five cases in which the Amber Alert System Cost was not assessed.

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

CLERK OF THE COURT OF COMMON PLEAS
CLEARFIELD COUNTY
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Finding No. 3 - Inadequate Assessment of Fines, Costs, Fees, And Surcharges - Clerk Of The Court Of Common Pleas (Continued)

- 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.
- Effective November 10, 2007, Title 42 Pa.C.S. § 3575 (b) provides for the collection of a \$50 Criminal Justice Enhancement Account (CJEA) Fee if a defendant accepts Accelerated Rehabilitative Disposition, is convicted or enters a plea of guilt or nolo contendere for a felony, misdemeanor of the first degree or misdemeanor of the second degree as set forth in Title 18 Pa.C.S. (relating to crimes and offenses), or is convicted of or enters a plea of guilt or nolo contendere for a violation of Title 35, Section 780-113(a)(16), known as The Controlled Substance, Drug, Device and Cosmetic Act.
- Title 18 amended Substance Abuse Education Costs by adding Section 7508. This section imposed a \$100 cost on driving under the influence (DUI) offenses and on all drug related offenses covered in the Controlled Substance, Drug, Device and Cosmetic Act. Also, effective February 1, 2004, DUI offenses in which the offender's blood alcohol level is greater than .16% require an additional \$200 cost. The cost is distributed 50/50 between the County and Commonwealth.
- 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 DNA cost. All DNA Costs are due the Commonwealth.
- Title 35 P.S. § 7025.4 provides for the collection of the Amber Alert System Cost. Unless the court finds that undue hardship would result, in addition to any other cost imposed by law, a cost of \$25 shall automatically be assessed on each person convicted, adjudicated delinquent or granted accelerated rehabilitative disposition (ARD) of the offenses in 18 Pa.C.S. § 2901 -2910.

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 fines, costs, fees, and surcharges.

CLERK OF THE COURT OF COMMON PLEAS
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Finding No. 3 - Inadequate Assessment of Fines, Costs, Fees, And Surcharges - Clerk Of The
Court Of Common Pleas (Continued)

Recommendation

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

Management's Response

The County Officer responded as follows:

Testing results were brought to our attention. We have taken the necessary steps to correct the issues.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS/DEPARTMENT OF
PROBATION SERVICES/PROTHONOTARY
CLEARFIELD COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2008 TO DECEMBER 31, 2011

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
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 William A. Shaw	Clerk of the Court of Common Pleas/Prothonotary Prothonotary
Mr. Donald J. McClusick	Director, Department of Probation Services
The Honorable Antonio Scotto	Controller
The Honorable Joan McMillen	Chairperson of the Board of Commissioners

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