

COMPLIANCE AUDIT

Clerk of the Court of Common Pleas/Prothonotary Clarion County, Pennsylvania For the Period January 1, 2016 to December 31, 2019

December 2021



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/Prothonotary, Clarion County, Pennsylvania (County Officer), for the period January 1, 2016 to December 31, 2019, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d).

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 accounts. 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.

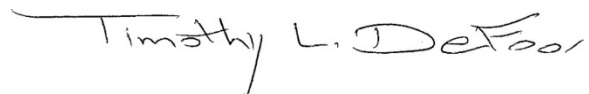
Based on our audit procedures, we conclude that, for the period. January 1, 2016 to December 31, 2019, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report.

- Inadequate Internal Controls Over Manual Receipts - Prothonotary.

This report includes summaries of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). 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 and prothonotary offices, and used the data to create the summaries in the format required by the Department of Revenue. We also obtain data relating to prothonotaries from the Administrative Office of Pennsylvania Courts. 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 summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

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 by the Clerk of the Court of Common Pleas/Prothonotary, Clarion County, to us 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
October 5, 2021

CONTENTS

	<u>Page</u>
Background.....	1
Summaries Of Receipts And Disbursements:	
Clerk Of The Court Of Common Pleas	4
Prothonotary	5
Finding And Recommendations:	
Finding - Inadequate Internal Controls Over Manual Receipts - Prothonotary	6
Report Distribution	8

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

The Department of Auditor General is mandated by Article IV, Section 401(b) and (d) 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.

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, and fees:

- Writ Taxes of \$.50 or \$.25 imposed on taxable instruments filed with the Prothonotary.
- Divorce Complaint Surcharges of \$10 imposed on all divorce decrees.
- Judicial Computer System/Access To Justice Fees of \$35.50 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. Effective October 30, 2017, Act 40 and Act 44 increased the fee to \$40.25.
- Protection From Abuse Surcharges of \$100 imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt Fines of not less than \$300 nor more than \$1,000 imposed against a defendant who is found to be in violation of a protection from abuse order.
- Criminal Charge Information System Fees 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 statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
BACKGROUND
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JANUARY 1, 2016 TO DECEMBER 31, 2019

Total disbursements during the audit period are comprised as follows

Clerk Of The Court Of Common Pleas

Clerk of the Court checks issued to:

Department of Revenue	\$ 1,215,793
State Police	34
Board of Probation and Parole	<u>101</u>
Total	<u><u>\$ 1,215,928</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.

Prothonotary

Prothonotary checks issued to:

Department of Revenue	\$ 79,142
Administrative Office of Pennsylvania Courts (AOPC)	<u>1,806</u>
Total	<u><u>80,948</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 receipts that were disbursed directly to the Administrative Office of Pennsylvania Courts.

Jeff Himes served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2016 to December 31, 2019.

The summaries 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.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
BACKGROUND
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The summaries 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.

Audit Adjustment - Clerk Of The Court Of Common Pleas

The \$24,342 audit adjustment represents a check issued to the Department of Revenue that was not cashed. The check was voided and reissued to the Department of Revenue in March 2020.

CLERK OF THE COURT OF COMMON PLEAS
 CLARION COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2016 TO DECEMBER 31, 2019

Receipts:

Department of Transportation		
Title 75 Fines	\$	115,400
Department of Revenue Court Costs		38,708
Crime Victims' Compensation Costs		71,421
Crime Commission Costs/Victim Witness Services Costs		49,972
Domestic Violence Costs		6,971
Emergency Medical Services Fines		4,133
DUI - ARD/EMS Fees		9,900
CAT/MCARE Fund Surcharges		10,360
Judicial Computer System/Access to Justice Fees		75,796
Offender Supervision Fees		434,215
Constable Service Surcharges		5
Criminal Laboratory Users' Fees		107,216
Probation and Parole Officers' Firearm Education Costs		7,827
Substance Abuse Education Costs		63,163
Office of Victims' Services Costs		16,141
Miscellaneous State Fines and Costs		<u>229,042</u>
 Total receipts		 1,240,270
 Disbursements to Commonwealth		 <u>(1,215,928)</u>
 Balance due Commonwealth (County) per settled reports		 24,342
 Audit adjustments		 <u>(24,342)</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2016 to December 31, 2019	 \$	 <u><u>-</u></u>

PROTHONOTARY
CLARION COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Receipts:

Writ Taxes	\$	1,901
Divorce Complaint Surcharges		3,330
Judicial Computer System/Access To Justice Fees		73,314
Protection From Abuse Surcharges and Contempt Fines		654
Criminal Charge Information System Fees		<u>1,806</u>
Total Receipts		81,005
Commissions		<u>(57)</u>
Net Receipts		80,948
Disbursements to Commonwealth		<u>(80,948)</u>
Balance due Commonwealth (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2016 to December 31, 2019	\$	<u><u>-</u></u>

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Finding - Inadequate Internal Controls Over Manual Receipts - Prothonotary

Manual receipts should be utilized in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt should be replaced by an official computer generated receipt and included in the daily receipts. Our audit disclosed that the office regularly used manual receipts to record collections received until the transactions could be entered into the computer system despite the system being available. Only the Prothonotary and Chief Deputy were able to create new case filings and generate receipts for existing cases in the office's computer system.

We found that the Prothonotary's office used pre-numbered duplicate receipts purchased from an office supply store. The office did not retain a purchase order or invoice documenting the population or number of manual receipts available for use within the Prothonotary's Office. As a result, we could not determine a total population of manual receipts. In addition, the office did not maintain a manual receipt log to properly account for the manual receipts issued.

The office determined that 1,412 manual receipts were issued during the four year audit period.

Good internal accounting controls ensure that:

- Manual receipts are only used for their intended purpose of a temporary power loss to the office computer system.
- Receipts are recorded timely into the office accounting system.
- Manual receipts and the associated logs 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.

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 maintain adequate documentation regarding the population of issued and unissued manual receipts. Additionally, the office staff were not trained to record collections into the Prothonotary's computer system. If staff were properly trained, the use of manual receipts would decrease significantly.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

Finding - Inadequate Internal Controls Over Manual Receipts - Prothonotary (Continued)

Recommendations

We recommend that the office establish and implement an adequate system of internal controls over manual receipts. This includes maintaining documentation of all issued and unissued manual receipts and associated logs. We further recommend that the office train all office staff to ensure that collections are recorded timely thereby allowing the use of manual receipts to be limited to use during temporary power losses to the office computer system.

Management's Response

The County Officer responded as follows:

My office uses the Infocon system which allows us to receipt monies and print a computer receipt when we use the case docket number. The system has limitations. We cannot apply money to a specific case if we have not already entered the case into the system. When a new case is presented in person at the counter, and the filer is not from the area and needs a receipt to take with them, we do not have that case docket number in the system to apply the money to. This is when we produce a manual receipt.

Auditor's Conclusion

Proper training of employees to enter case information into the computer system when a payment is received would help to reduce the need for large quantities of manual receipts and enable timelier recording of collections. During our next audit, we will determine if the office complied with our recommendations.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
CLARION COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2016 TO DECEMBER 31, 2019

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

The Honorable Jeff Himes
Clerk of the Court of Common Pleas/Prothonotary

The Honorable Sara J. Seidle-Patton
President Judge

The Honorable Theodore W. Tharan
Chairperson of the Board of Commissioners

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.