

ATTESTATION ENGAGEMENT

Clerk of Court of Common Pleas/Prothonotary Mifflin County, Pennsylvania For the Period January 1, 2012 to December 31, 2017

December 2018



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

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

We have examined the accompanying statements of receipts and disbursements (Statements) of the Clerk of Court of Common Pleas/Prothonotary, Mifflin County, Pennsylvania (County Officer), for the period January 1, 2012 to December 31, 2017, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). The County Office's management is responsible for presenting these statements in accordance with the criteria set forth in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statements are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statements 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 Statements, 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 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)

This is a revised report which was previously dated October 24, 2018, and it was revised because we clarified information in the first bullet of the finding based upon a request from management, and we also included a response from management. Management did not provide a response to the previous version of the finding.

As discussed in the Finding, a population of manual receipts could not be determined and no manual receipts were available for review. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the County Officer's 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 preceding paragraph, the Statements referred to above, for the period January 1, 2012 to December 31, 2017, are presented in accordance with the criteria set forth in Note 1, in all material respects.

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 Statements; 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 Statements. 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statements was for the limited purpose of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements 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 a certain deficiency in internal control that we consider to be a material weakness.

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 Statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

- Inadequate Internal Controls Over Manual Receipts - Clerk of Court of Common Pleas - Recurring.

Independent Auditor's Report (Continued)

As part of obtaining reasonable assurance about whether the Statements are 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 examination finding contained in this report cites conditions that existed in the operation of the County Offices during the two previous engagement periods and were not corrected during the current examination period. It is imperative that the County Offices strive to implement the recommendations and corrective actions noted in this report.

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 Court of Common Pleas/Prothonotary, Mifflin County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale
Auditor General

December 19, 2018

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CLERK OF COURT OF COMMON PLEAS
 MIFFLIN COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2017

Receipts:

Department of Transportation		
Title 75 Fines	\$	141,174
Department of Revenue Court Costs		55,624
Crime Victims' Compensation Costs		153,542
Crime Commission Costs/Victim Witness Services Costs		111,070
Domestic Violence Costs		15,080
Emergency Medical Services Fines		7,503
DUI - ARD/EMS Fees		14,300
CAT/MCARE Fund Surcharges		53,256
Judicial Computer System/Access to Justice Fees		104,388
Offender Supervision Fees		529,738
Constable Service Surcharges		2,117
Criminal Laboratory Users' Fees		22,882
Probation and Parole Officers' Firearm Education Costs		12,185
Substance Abuse Education Costs		115,326
Office of Victims' Services Costs		158,094
Miscellaneous State Fines and Costs		<u>376,451</u>
 Total receipts (Note 2)		 1,872,730
 Disbursements to Commonwealth (Note 4)		 <u>(1,872,272)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 458
 Examination adjustments (Note 6)		 <u>(458)</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2017	 \$	 <u><u>-</u></u>

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

PROTHONOTARY
 MIFFLIN COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2017

Receipts:	
Writ Taxes	\$ 1,492
Divorce Complaint Surcharges	7,190
Judicial Computer System/Access To Justice Fees	98,270
Protection From Abuse Surcharges and Contempt Fines	8,007
Criminal Charge Information System Fees	<u>2,870</u>
Total Receipts (Note 2)	117,829
Commissions (Note 3)	<u>(45)</u>
Net Receipts	117,784
Disbursements to Commonwealth (Note 4)	<u>(117,784)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2012 to December 31, 2017	<u><u>\$ -</u></u>

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

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

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 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 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 \$23.50 fee imposed for the filing of any legal paper to initiate a civil action or proceeding. Effective July 10, 2014, Act 126 increased the fee to \$33.50. Effective August 8, 2014, Act 113 increased the fee to \$35.50. Effective October 30, 2017, Acts 40 and 44 increased the fee to \$40.25.

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

2. Receipts (Continued)

Prothonotary (Continued)

- Protection From Abuse Surcharges represent a \$100 surcharge imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt Fines represent 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 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 \$7.50 for the period January 1, 2012 to December 31, 2014. The fee was increased to \$8.00 for the period January 1, 2015 to December 31, 2017. 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 COURT OF COMMON PLEAS/
 PROTHONOTARY
 MIFFLIN COUNTY
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2012 TO DECEMBER 31, 2017

4. Disbursements

Clerk of Court of Common Pleas

Total disbursements are comprised as follows:

Clerk of Court of Common Pleas checks issued to:

Department of Revenue	\$ 1,858,005
Medical Assistance Program	50
Office Of Attorney General	100
State Police	6,874
Department Of Transportation	4,708
Fish & Boat Commission	180
Office Of Inspector General	<u>2,355</u>
Total	<u><u>\$ 1,872,272</u></u>

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department Of Revenue	\$ 114,914
Administrative Office Of Pennsylvania Courts	<u>2,870</u>
Total	<u><u>\$ 117,784</u></u>

5. Balance Due Commonwealth (County) For The Period January 1, 2012 To December 31, 2017

Clerk of Court of Common Pleas

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

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

5. Balance Due Commonwealth (County) For The Period January 1, 2012 To December 31, 2017 (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. Examination Adjustment - Clerk of Court of Common Pleas

The \$458 examination adjustment represents a balance due to the County of \$255 for the period, January 1, 2008 to December 31, 2011. This balance due was paid to the County in February 2012. The remaining \$203 represents a balance due the County for the period January 1, 2004 to December 31, 2007. This balance due was paid to the County in July 2015.

7. County Officer Serving During Examination Period

Tammy J. Stuck served as the Clerk of Court of Common Pleas/Prothonotary for the period January 1, 2012 to December 31, 2017.

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

Finding - Inadequate Internal Controls Over Manual Receipts - Clerk Of Court Of Common Pleas - Recurring

We cited the issue of inadequate internal control over manual receipts in the two prior examination reports, with the most recent being for the period January 1, 2008 to December 31, 2011. Our current examination found that the office did not correct this issue. Manual receipts are available within the Common Pleas Case Management System (CPCMS) 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.

Once again our examination disclosed that required manual receipts procedures were not always followed. We noted the following:

- Manual receipts could not be located and were not available for examination. The office recorded manual receipt information on paper when the system was down or there was a power failure. When the system was back up, the payment information was entered into the system, the computer generated receipt was mailed to the payer, and the paper was discarded.
- Manual receipt log sheets were not available for examination.
- Manual receipt numbers were not entered into the computer system.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts as recommended in our prior two examination reports.

Good internal accounting controls ensure that:

- Manual receipts are pre-numbered, issued in numerical sequence, accounted for and maintained for examination.
- 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.

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

Finding - Inadequate Internal Controls Over Manual Receipts - Clerk Of Court Of Common Pleas - Recurring (Continued)

- Manual receipt numbers are entered into the computer system.
- Only official Common Pleas Case Management System (CPCMS) manual receipts and log, that are available through the computer system, are used.

Without a good system of internal controls over funds received by the office, we could not determine if the office properly recorded, remitted, and reported all monies received and due to the Commonwealth. In addition, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We strongly 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:

Going forward, the Clerk of Courts will comply with recommendation and manual receipts will be used from CPCMS as needed when CPCMS is down and the office is unable to post payments at the time of disruption of CPCMS. Manual Receipts will be available upon inspection for any and all audits in the future.

Auditor's Conclusion

This is a recurring finding. It is imperative that the Clerk of Court of Common Pleas take all steps necessary to comply with our recommendation. During our next examination, we will determine if the office complied with our recommendation.

CLERK OF COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2012 TO DECEMBER 31, 2017

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that the office:

- Establish and implement an adequate system of internal controls over manual receipts.
- Establish procedures to follow up on outstanding checks.
- Establish adequate internal controls over its computer system.

During our current examination, we noted that the office complied with our last two bulleted recommendations. However, the office did not comply with our first bulleted recommendation. Please see the current year finding for additional information.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
MIFFLIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2012 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 Tammy J. Stuck
Clerk of Court of Common Pleas/Prothonotary

The Honorable David W. Barron
President Judge

The Honorable Kevin P. Kodish
Chairperson of the Board of Commissioners

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