



**CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
EXAMINATION REPORT
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010**

Released *March 2013*

COMMONWEALTH OF PENNSYLVANIA
EUGENE A. DEPASQUALE - AUDITOR GENERAL
DEPARTMENT OF THE AUDITOR GENERAL



CLERK OF THE COURT OF COMMON PLEAS

NORTHAMPTON COUNTY

EXAMINATION REPORT

FOR THE PERIOD

MARCH 1, 2007 TO DECEMBER 31, 2010

CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report..... | 1 |
| Financial Section: | |
| Statement Of Receipts And Disbursements..... | 5 |
| Notes To The Statement Of Receipts And Disbursements..... | 6 |
| Finding And Recommendation: | |
| Finding - Inadequate Internal Controls Over Receipts | 9 |
| Report Distribution | 13 |



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen

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 statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas, Northampton County, Pennsylvania (County Officer), for the period March 1, 2007 to December 31, 2010, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this Statement based on our examination.

Except as discussed in the fourth paragraph, 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 Statement 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 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 the Finding and Recommendation section of the examination report, there were inadequate controls over cash receipts. These inadequate internal accounting controls limited the scope of our examination of the County Officer's Statement, and we were unable to satisfy ourselves by other examination.

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period ended December 31, 2010, 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 Statement 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 Statement is 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 Statement 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 Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over Receipts.

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 Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement 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. We consider the significant deficiency described above 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*.

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.



September 28, 2012

EUGENE A. DEPASQUALE
Auditor General



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

Receipts:

| | | |
|---|---------------|------------------------|
| Department of Transportation | | |
| Title 75 Fines | \$ | 298,969 |
| Overweight Fines | | 44,734 |
| Department of Revenue Court Costs | | 204,679 |
| Crime Victims' Compensation Costs | | 467,174 |
| Crime Commission Costs/Victim Witness Services Costs | | 312,946 |
| Domestic Violence Costs | | 41,710 |
| Emergency Medical Services Fines | | 43,552 |
| DUI - ARD/EMS Fees | | 80,584 |
| CAT/MCARE Fund Surcharges | | 392,216 |
| Judicial Computer System/Access to Justice Fees | | 137,309 |
| Offender Supervision Fees | | 769,441 |
| Constable Service Surcharges | | 3,838 |
| Criminal Laboratory Users' Fees | | 98,316 |
| Probation and Parole Officers' Firearm Education Costs | | 47,652 |
| Substance Abuse Education Costs | | 573,907 |
| Office of Victims' Services Costs | | 59,082 |
| Miscellaneous State Fines and Costs | | <u>393,469</u> |
| Total receipts (Note 2) | | 3,969,578 |
| Disbursements to Commonwealth (Note 3) | | <u>(3,969,501)</u> |
| Balance due Commonwealth (County) per settled reports (Note 4) | | 77 |
| Examination adjustments (Note 5) | | <u>573</u> |
| Adjusted balance due Commonwealth (County) for the period March 1, 2007 to December 31, 2010 | <u>\$</u> | <u>650</u> |

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

CLERK OF THE COURT OF COMMON PLEAS
 NORTHAMPTON COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 MARCH 1, 2007 TO DECEMBER 31, 2010

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 | \$ 3,959,966 |
| Department of Public Welfare | 3,495 |
| Office of Inspector General | 77 |
| Commonwealth of Pennsylvania | 710 |
| Department of Transportation | 830 |
| State Police | 2,652 |
| Commission on Crime and Delinquency | 50 |
| Liquor Control Board | <u>1,721</u> |
| Total | <u><u>\$ 3,969,501</u></u> |

CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

4. Balance Due Commonwealth (County) For The Period March 1, 2007 To December 31, 2010

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 Adjustments

During our prior audit, January 1, 2001 to July 31, 2005, we determined that there was a balance due to the County of \$77. This credit was taken in September 2007.

Additionally, there were two bail forfeitures due the Commonwealth on Case Nos. CR-930-2005 for \$600 and CR-2819-2006 for \$50 that were erroneously remitted to Northampton County on April 19, 2007 and December 9, 2008, respectively.

The net effect of these adjustments is \$573.

6. County Officer Serving During Examination Period

Leigh Ann Fisher served as the Clerk of the Court of Common Pleas for the period March 1, 2007 to December 31, 2010.



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

Finding - Inadequate Internal Controls Over Receipts

Our examination of the accounting records for the office disclosed the following deficiencies in the internal controls over receipts:

- The office copy of the bank deposit slip was not validated by the bank in 51 of the 51 deposits tested.
- There were manual receipts that did not have a pre-printed receipt number on them. Additionally, there was no documentation, verification, or accountability as to the number of manual receipts purchased. Therefore, we were unable to verify the number of manual receipts without pre-printed numbers issued.
- The office also used manual receipts that had pre-printed numbers on them. However, the receipts had gaps in the pre-printed numbers written on them. There was no documentation, verification, or accountability as to the number of manual receipts purchased. Therefore, we were unable to verify the number of manual receipts with pre-printed numbers issued.
- Manual receipt No. 421999 was photocopied and issued twice, with the original unissued receipt still available for use. Manual receipt No. 422000 was photocopied and issued once, with the original unissued receipt still available for use.
- Of 17 pre-printed manual receipts tested, there were 6 instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.
- For manual receipts printed with the Common Pleas Case Management System (CPCMS) computer system, there were 20 manual receipts and the accompanying manual receipts' log that could not be located and were not available for examination.

As a consequence of the second, third, and fourth bullets above, a population of manual receipts could not be determined. These inadequate internal accounting controls limited the scope of our examination and resulted in a qualified opinion.

CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

Finding - Inadequate Internal Controls Over Receipts (Continued)

A good system of internal controls ensures that:

- The amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated.
- Manual receipts should be pre-numbered, accounted for, and maintained. All required information from the manual receipt should be recorded on a manual receipts log sheet.
- Only official Common Pleas Case Management System (CPCMS) manual receipts and log, that are available through the computer system, are used and only used once.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.
- Manual receipts should be pre-numbered, accounted for, and maintained. All required information from the manual receipt should be recorded on a manual receipts log sheet.

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.

CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

Finding - Inadequate Internal Controls Over Receipts (Continued)

Management's Response

The County Officer responded as follows:

Bank slips are now validated by the bank. A manual receipt book is no longer being used. Manual receipts from CPCMS are used and logged. Manual receipt numbers are to be entered in CPCMS by the cashier – per policy & procedure.

Auditor's Conclusion

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



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
MARCH 1, 2007 TO DECEMBER 31, 2010

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 Leigh Ann Fisher | Clerk of the Court of Common Pleas |
| The Honorable Stephen J. Barron, Jr. | Controller |
| The Honorable John Stoffa | Northampton County Executive |

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.