

ATTESTATION ENGAGEMENT

Prothonotary
Crawford County, Pennsylvania
For the Period
January 1, 2014 to December 31, 2017

January 2019



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 statement of receipts and disbursements (Statement) of the Prothonotary, Crawford County, Pennsylvania (County Officer), for the period January 1, 2014 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 this Statement in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on this Statement 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 Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement 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 Statement, 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)

In our opinion, the Statement referred to above, for the period January 1, 2014 to December 31, 2017, is 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 Statement; 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 Statement. 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 Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement 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 Statement 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 The Computer System.

Independent Auditor's Report (Continued)

As part of obtaining reasonable assurance about whether the Statement is 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 the following instance of noncompliance.

- Judicial Computer System/Access to Justice (JCS/ATJ) Fees Improperly Remitted To The County.

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 Prothonotary, Crawford 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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PROTHONOTARY
CRAWFORD COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Receipts:

Writ Taxes	\$	2,540
Divorce Complaint Surcharges		7,660
Judicial Computer System/Access To Justice Fees		121,708
Protection From Abuse Surcharges and Contempt Fines		6,949
Criminal Charge Information System Fees		<u>2,696</u>
Total Receipts (Note 2)		141,553
Commissions (Note 3)		<u>(76)</u>
Net Receipts		141,477
Disbursements to Commonwealth (Note 4)		<u>(141,477)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments (Exhibit 1)		<u>18,160</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2014 to December 31, 2017	\$	<u><u>18,160</u></u>

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

PROTHONOTARY
CRAWFORD COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of taxes, surcharges, fines, and fees 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 consist of monies 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.
- 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.

PROTHONOTARY
CRAWFORD COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

2. Receipts (Continued)

- 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, 2014 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.

4. Disbursements

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 138,781
Administrative Office of Pennsylvania Courts	<u>2,696</u>
Total	<u><u>\$ 141,477</u></u>

5. Balance Due Commonwealth (County) For The Period January 1, 2014 To December 31, 2017

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of receipts disbursed directly to the Administrative Office of Pennsylvania Courts. It does not reflect adjustments disclosed by our examination. Refer to Exhibit 1.

6. County Officer Serving During Examination Period

Emmy Arnett served as Prothonotary during the period January 1, 2014 to December 31, 2017.

PROTHONOTARY
CRAWFORD COUNTY
EXHIBIT 1
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

<u>Month</u>	<u>Year</u>	<u>Examination Adjustments</u>	<u>Explanation</u>
Dec	2014	\$639.00	* - Unremitted JCS/ATJ Fees from added counts in Divorce filings.
Jan	2015	557.50	*
Feb	2015	639.00	*
Mar	2015	461.50	*
Apr	2015	426.00	*
May	2015	284.00	*
Jun	2015	745.50	*
Jul	2015	355.00	*
Aug	2015	876.00	*
Sep	2015	343.50	*
Oct	2015	426.00	*
Nov	2015	674.50	*
Dec	2015	485.50	*
Jan	2016	390.50	*
Feb	2016	816.50	*
Mar	2016	497.00	*
Apr	2016	568.00	*
May	2016	497.00	*
Jun	2016	497.00	*
Jul	2016	319.50	*
Aug	2016	355.00	*
Sep	2016	639.00	*
Oct	2016	284.00	*
Nov	2016	213.00	*
Dec	2016	213.00	*
Jan	2017	426.00	*
Feb	2017	426.00	*
Mar	2017	532.50	*
Apr	2017	639.00	*
May	2017	532.50	*
Jun	2017	568.00	*
Jul	2017	390.50	*
Aug	2017	426.00	*
Sep	2017	461.50	*
Oct	2017	852.00	*
Nov	2017	461.50	*
Dec	2017	<u>241.50</u>	*
Total Adjustments		<u><u>\$18,160</u></u>	

PROTHONOTARY
CRAWFORD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Finding No. 1 - Inadequate Internal Controls Over The Computer System

The Crawford County Prothonotary uses software purchased from and supported by an outside service organization (Vendor) to account for transactions. The software is a web based application which is installed on a central server. County users access the system by launching a browser window and navigating to the local intranet website. The Vendor has remote access to the County's computer system and data.

During discussions with the office holder and the county information technology personnel, we learned that the Vendor has the ability to make changes to the County's data through their help desk or by a pre-approved portal usage; in a manner that is recorded through the normal accounting processes and, therefore, generates a normal examination trail. However, the County does not monitor these reports.

We also found that employees' computers were not properly protected and secured. Computers are monitored through computer IDs instead of unique user IDs and passwords for each employee. Use of the computer IDs reduces the ability to isolate and track the employees who entered the office's data. In addition, we found that the computers are not secured. Employees' computers do not time out or sign-off after a specified time and employees are not required to sign-out when leaving their work area.

Effective security policy and practice requires the County's approval and monitoring of any computer data changes made by the Vendor, particularly because of the Vendor's access to critical applications. Furthermore, to ensure confidentiality and accountability, employees' computers should be password protected and should time out or log off after a specified time to prevent use by another employee without logging in under their unique user ID and password. Passwords should be required, changed periodically, and not exchanged between employees.

According to the Computer Emergency Response Team (CERT) of Carnegie Mellon University, inadequate contractor security policies and practices can result in undetected intrusions or security violations, lack of data integrity, and loss of privacy.

These conditions existed because the County failed to establish adequate internal controls over its computer system.

PROTHONOTARY
CRAWFORD COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Finding No. 1 - Inadequate Internal Control Over Computer System (Continued)

Recommendations

We recommend that the County:

- Establish procedures to periodically generate monitoring reports that include the date, time, reason for changes, changes made, and who made the changes. The County should routinely review these reports to determine that access was appropriate and that data was not improperly altered.
- Require computers to time out or sign off after a specified time, and employees be required to sign in with unique user IDs and confidential passwords, which are periodically changed, to provide the ability to isolate and track the employees who entered the data.

Management's Response

The County Officer responded as follows:

All individual employee computers are individually password protected. In regards to the front counter computer being a receipt terminal, this had been the procedure since computerization in 1999 and this is the first finding in regards to this matter.

Since the exit audit, this matter has been corrected and no further receipting or financial business is capable from that terminal.

Auditor's Conclusion

We appreciate the corrective action taken to resolve this deficiency. During our next examination, we will determine if the office complied with our recommendations.

PROTHONOTARY
CRAWFORD COUNTY
FINDINGS AND RECOMMENDATIONS
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JANUARY 1, 2014 TO DECEMBER 31, 2017

Finding No. 2 - Judicial Computer System/Access To Justice (JCS/ATJ) Fees Improperly Remitted To The County

Our examination disclosed that Commonwealth Judicial Computer System/Access to Justice (JCS/ATJ) Fees assessed on additional counts in divorce complaint filings were erroneously recognized by the accounting system as County collections and remitted to the County. Our testing found that there were 366 divorce complaint filings, from December 2014 through December 2017, in which JCS/ATJ fees were not assessed correctly and remitted to the County.

Title 42 Pa. C.S.A. § 3733 provides for the assessment of Judicial Computer System/Access to Justice (JCS/ATJ) Fees. It should be noted that these fees are to be assessed on a per count basis in divorce complaint filings. These additional count JCS/ATJ fee assessments are to be recognized as Commonwealth fees and remitted monthly to the Commonwealth.

The improper assessment and remittance of JCS/ATJ fees resulted in an overpayment to the County. Furthermore, the Commonwealth did not receive money due them totaling \$18,160 for the examination period. See Exhibit 1.

These errors occurred as a result of a new accounting system that was installed in November 2014. The new system was not properly evaluated by the office to ensure that the all fees on divorce complaint filings were being assessed correctly and remitted to the Commonwealth.

Recommendations

We recommend that the office review the law identified above and ensure that that the computer system is programed to properly assess and remit JCS/ATJ fees to the Commonwealth. Furthermore, we recommend that the office remit the \$18,160 that is due the Commonwealth.

Management's Response

The County Officer responded as follows:

In November 2014, a new software was implemented at which time a portion of the fee was allocated to the County instead of to the State. Since this time, the software vender has been advised, the problem has been corrected, and the Office Holder will be contacting the Department of Revenue for remittance.

Auditor's Conclusion

We appreciate the corrective action taken to resolve this deficiency. During our next examination, we will determine if the office complied with our recommendations.

PROTHONOTARY
CRAWFORD COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2014 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

The Honorable Emmy Arnett
Prothonotary

The Honorable Francis F. Weiderspahn, Jr.
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.