



**PROTHONOTARY/DOMESTIC RELATIONS**

**FAYETTE COUNTY**

**EXAMINATION REPORT**

**FOR THE PERIOD**

**JANUARY 1, 2010 TO DECEMBER 31, 2011**

**COMMONWEALTH OF PENNSYLVANIA**

**EUGENE A. DEPASQUALE - AUDITOR GENERAL**

**DEPARTMENT OF THE AUDITOR GENERAL**

1





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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 statement of receipts and disbursements (Statement) of the Prothonotary/Domestic Relations, Fayette County, Pennsylvania (County Officer), for the period January 1, 2010 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). 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.

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 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 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 January 1, 2010 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 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 - Domestic Relations.

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.

Sincerely,



**EUGENE A. DEPASQUALE**  
Auditor General

July 25, 2013

## CONTENTS

	<u>Page</u>
Financial Section:	
Statement Of Receipts And Disbursements – Prothonotary/Domestic Relations .....	1
Notes To The Statement Of Receipts And Disbursements.....	2
Finding And Recommendation:	
Finding - Inadequate Internal Controls Over Receipts - Domestic Relations .....	5
Report Distribution .....	7

PROTHONOTARY/DOMESTIC RELATIONS  
 FAYETTE COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2010 TO DECEMBER 31, 2011

Receipts:

Writ Taxes	\$	2,590
Divorce Complaint Surcharges		8,490
Judicial Computer System/Access To Justice Fees		144,659
Protection From Abuse Surcharges and Contempt Fines		4,357
Criminal Charge Information System Fees		<u>2,726</u>
Total Receipts (Note 2)		162,822
Commissions (Note 3)		<u>(78)</u>
Net Receipts		162,744
Disbursements to Commonwealth (Note 4)		<u>(162,744)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2010 to December 31, 2011	\$	<u><u>-</u></u>

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

PROTHONOTARY/DOMESTIC RELATIONS  
FAYETTE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2010 TO DECEMBER 31, 2011

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 \$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.
- 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 \$1,000.

PROTHONOTARY/DOMESTIC RELATIONS  
 FAYETTE COUNTY  
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2010 TO DECEMBER 31, 2011

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 \$7.00 for the period January 1, 2010 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.

4. Disbursements

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$	160,018
Adminstrative Office of Pennsylvania Courts		2,726
Total	\$	162,744

5. Balance Due Commonwealth (County) For The Period January 1, 2010 To December 31, 2011

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.



PROTHONOTARY/DOMESTIC RELATIONS  
FAYETTE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
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6. County Officers Serving During Examination Period

Lance Winterhalter served as Prothonotary during the period January 1, 2010 to December 31, 2011.

Richard Zidek served as Director, Domestic Relations, during the period January 1, 2010 to December 31, 2011.

DOMESTIC RELATIONS  
FAYETTE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2010 TO DECEMBER 31, 2011

Finding - Inadequate Internal Controls Over Receipts - Domestic Relations

The Fayette County Domestic Relations office used hand written receipts to document the initial receipt of cash, checks, or money orders received for payments that include both County and Commonwealth funds made to the office. The Domestic Relations office deposits all payments into their bank account. Several times a month the Domestic Relations office would process a check for the Commonwealth portion of funds received and send it to the Prothonotary's office for disbursement to the Department of Revenue.

Our examination of Domestic Relations office's accounting records disclosed the following deficiencies in the internal controls over manual receipts.

- Of five receipts tested, four were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from two days to six days.
- The office copy of the bank deposit slip was not validated by the bank for all five deposits tested.
- None of the five manual receipts were issued in numerical sequence.
- Office staff did not always complete the source of payment, i.e. cash, check or money order on the manual receipts.

It should be noted that the testing of the receipts indicated that the total amount receipted equaled the total amount deposited.

A good system of internal controls ensures that:

- All monies collected are deposited intact at the bank on the same day as collected.
- 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. If the bank cannot validate the deposit slip, the office should obtain a deposit ticket from the bank that validates total cash and the total deposit.
- Manual receipts are issued in numerical sequence.

DOMESTIC RELATIONS  
FAYETTE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2010 TO DECEMBER 31, 2011

Finding - Inadequate Internal Controls Over Receipts - Domestic Relations (Continued)

- 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.

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 manual receipts.

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:

The majority of judicial computer fees (JCF) are now collected in the PA Child Support Enforcement System and remitted to the PA Department of Revenue. Only in rare instances are the fees paid in the Domestic Relations Office.

Auditor's Conclusion

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

PROTHONOTARY/DOMESTIC RELATIONS  
FAYETTE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2010 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

The Honorable Rose Marie Ledonne-Kerne	Prothonotary
The Honorable Sean Lally	Controller
The Honorable Alfred Ambrosini	Chairperson of the Board of Commissioners
The Honorable Richard Zidek	Director, Domestic Relations Section

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@auditorgen.state.pa.us](mailto:news@auditorgen.state.pa.us).