

COMPLIANCE AUDIT

Prothonotary Greene County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

February 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Prothonotary, Greene County, Pennsylvania (County Officer), for the period January 1, 2018 to December 31, 2021, 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 account. 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.

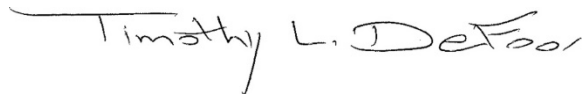
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

- Inadequate Accountability Over Funds Held In Escrow - Recurring.
- Inadequate Assessment Of Fees.

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

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 Prothonotary, Greene 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 horizontal line above the first name.

Timothy L. DeFoor
Auditor General
December 1, 2022

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PROTHONOTARY
GREENE COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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.

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 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 \$40.25 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.
- 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.

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 93,931
Administrative Office of Pennsylvania Courts	<u>1,492</u>
Total	<u><u>\$ 95,423</u></u>

PROTHONOTARY
GREENE COUNTY
BACKGROUND
FOR THE PERIOD
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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.

Susan Kartley White served as Prothonotary during the period January 1, 2018 to December 31, 2021.

The summary 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 summary 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.

Audit Adjustment

The \$75 audit adjustment represents collections for Probation Supervision Fees that were collected March 27, 2020 and April 8, 2020, that were not remitted to the Commonwealth.

PROTHONOTARY
GREENE COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Writ Taxes	\$ 1,050
Divorce Complaint Surcharges	3,580
Judicial Computer System/Access To Justice Fees	89,082
Protection From Abuse Surcharges and Contempt Fines	250
Criminal Charge Information System Fees	<u>1,492</u>
Total Receipts	95,454
Commissions	<u>(31)</u>
Net Receipts	95,423
Disbursements to Commonwealth	<u>(95,423)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>75</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ 75</u></u>

PROTHONOTARY
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding No. 1 - Inadequate Accountability Over Funds Held In Escrow - Recurring

We cited the issue of escrow monies not being properly accounted for in our two prior audit reports, with the most recent for the period January 1, 2014, to December 31, 2017. Our current audit found that the office did not correct this issue.

Our current audit disclosed that there was a lack of accountability over funds held in escrow. There was an adjusted bank balance of \$10,572.07 as of December 31, 2021, without a corresponding liabilities report indicating to whom the monies were due.

This condition existed because the office failed to establish and implement an adequate system of internal controls over funds held in escrow as recommended in our two prior audit reports.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

Without a good system of internal controls over funds held in escrow, the possibility of funds being lost or misappropriated increases significantly.

Recommendations

We strongly recommend that the office attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

Management's Response

The County Officer responded as follows:

I plan to disburse the overage to the county by December 31, 2022.

Auditor's Response

We appreciate the officeholder's effort to correct this issue. This is a recurring finding. It is imperative that the office take steps necessary to comply with our recommendations. During the next audit, we will determine if the office complied with our recommendations.

PROTHONOTARY
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding No. 2 - Inadequate Assessment Of Fees

Our audit disclosed that the office was not properly assessing the Judicial Computer System/Access to Justice (JCS/ATJ) Fee at the mandated \$40.25 on appeal cases and on the second and subsequent counts of multiple count divorce complaint filings during the audit period.

In addition, our testing of 12 divorce cases revealed three cases where the custody fee was not assessed when custody was included as an additional count in the divorce complaint filing.

The following state statutes address the fees that were not properly assessed:

- Judicial Computer System/Access To Justice Fees represent a \$40.25 fee imposed on the filing of any legal paper to initiate a civil action or proceeding.
- Act 119, 42 Pa. C.S. 1725 (a) (1) imposes Criminal Charge Information System Fees 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, 2018 to December 31, 2018, and \$8.50 for the period January 1, 2019 to December 31, 2021. *The statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.*

The improper assessing of these fees resulted in the defendants not being assessed the proper amount of fees associated with the violations, and a loss of revenue to the Commonwealth and County. There were 426 cases where fees were not properly assessed during the audit period, resulting in a loss of revenue to the Commonwealth totaling \$4,302.75.

These improper assessments occurred because the office's computer system was programmed incorrectly, and the office did not review the receipt detail for the state report to notice unusual amounts charged.

Recommendations

We recommend that the Prothonotary contact the computer vendor to have all fees charged at the proper amount. In addition, we recommend that the office review the laws noted above to ensure that fees are assessed as mandated by law.

PROTHONOTARY
GREENE COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding No. 2 - Inadequate Assessment Of Fees (Continued)

Management's Response

The County Officer responded as follows:

The matter was remedied immediately upon being notified by the auditor.

Auditor's Response

We appreciate the officeholder's effort to correct this issue. During the next audit, we will determine if the office complied with our recommendations.

PROTHONOTARY
GREENE COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the office:

- Attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

During our current audit, we noted that the office did not comply with our recommendations. Please see the current year Finding No. 1 for additional information.

PROTHONOTARY
GREENE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Susan Kartley White
Prothonotary

The Honorable Ami Cree
Controller

The Honorable Mike Belding
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.