

PROTHONOTARY  
SCHUYLKILL COUNTY  
EXAMINATION REPORT  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

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## Independent Auditor's Report

Mr. C. Daniel Hassell  
Acting Secretary  
Pennsylvania Department of Revenue  
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Prothonotary, Schuylkill County, Pennsylvania (County Officer), for the period January 1, 2005 to December 31, 2008, 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*.

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 ended December 31, 2008, in conformity with the criteria set forth in Note 1.

### Independent Auditor's Report (Continued)

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 Computer System.

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.

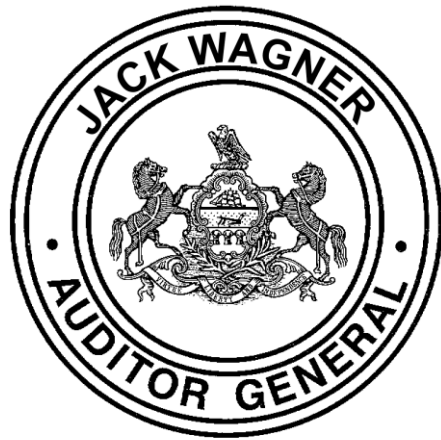
Independent Auditor's Report (Continued)

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.

June 26, 2009

JACK WAGNER  
Auditor General



PROTHONOTARY  
SCHUYLKILL COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

Receipts:

Writ Taxes	\$ 7,329
Divorce Complaint Surcharges	17,270
Judicial Computer System/Access To Justice Fees	131,590
Protection From Abuse Surcharges and Contempt Fines	4,120
Criminal Charge Information System Fees	<u>5,742</u>
Total Receipts (Note 2)	166,051
Commissions (Note 3)	<u>(220)</u>
Net Receipts	165,831
Disbursements to Commonwealth (Note 4)	<u>(165,831)</u>
Balance due Commonwealth (County) per settled reports (Note 5)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) January 1, 2005 to December 31, 2008	<u><u>\$ -</u></u>

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

PROTHONOTARY  
SCHUYLKILL COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

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.
- 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 \$1000.



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NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
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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 \$6.00 for the period January 1, 2005 to December 31, 2005, \$6.50 for the period January 1, 2006 to December 31, 2007, and \$7.00 for the period January 1, 2008 to December 31, 2008. 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	\$ 160,089
Adminstrative Office of Pennsylvania Courts	<u>5,742</u>
Total	<u>\$ 165,831</u>

5. Balance Due Commonwealth (County) For The Period January 1, 2005 To December 31, 2008

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  
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NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
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6. County Officer Serving During Examination Period

Peter J. Symons, Jr. served as Prothonotary during the period January 1, 2005 to December 31, 2008.

PROTHONOTARY  
SCHUYLKILL COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

Finding - Inadequate Internal Controls Over Computer System

Schuykill County uses an in-house Management Information System Department (MIS) as an Application Service Provider (ASP) to account for transactions in several offices, including the Schuykill County Prothonotary (County). The County initiates and approves transactions from remote terminals in the County offices.

During discussions with County personnel, we noted the following weaknesses:

- The MIS has unmonitored access to the County's data. The County was not monitoring the MIS's system accesses, nor were they receiving reports to show what data may have been altered and/or accessed.
- County's users are not required to periodically change their passwords after initial password selection.
- Changes to the system are not requested in writing.

Effective security policy and practice requires the County's approval and monitoring of any computer data changes made by the MIS, particularly because of the MIS's access to critical applications. Furthermore, to ensure confidentiality, passwords should be changed periodically and not exchanged between employees.

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

Further, CERT documents also caution that a system might experience loss of confidentiality and integrity due to an unsecure method of remote access. This may result in intruders gaining unauthorized access to, modifying, or destroying the County's information systems and assets; deliberately introducing security vulnerabilities or viruses; and launching attacks on other systems from the County's network and perhaps making the County liable for damages.

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

PROTHONOTARY  
SCHUYLKILL COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
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Finding - Inadequate Internal Controls Over Computer System (Continued)

Recommendations

We recommend:

- That the County establish procedures to periodically generate monitoring reports that include the date, time, reason for change(s), change(s) made, and who made the change(s). The County should routinely review these reports to determine that access was appropriate and that data was not improperly altered.
- That the County take prudent steps to properly secure their production servers from unauthorized access using the remote access software installed on their system. We recommend consideration of security practices published by respected authorities in the field, such as the CERT Security Module entitled:

Outsourcing Managed Security Services  
(<http://www.cert.org/archive/pdf/omss.pdf>)

- That the County negotiate a software maintenance agreement with the MIS. Further, in accordance with the CERT document cited above, the following computer security issues should be considered for inclusion in the contract:
  - Assurances that vulnerabilities to known forms of attack have been addressed in the software (i.e., all security patches have been updated and applied), assertions that the software is installed and configured to operate securely, and warranties that no malicious code (i.e., Trojan Horses) or viruses exist in the software.
  - The remote access method, the user authentication process, and a requirement that the MIS communicate securely with the County's site when operating remotely.
  - The ability to restrict systems administrator-level access to authorized users, as well as the ability to log appropriate activities for purposes of detecting intrusions and attempted intrusions.

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FINDING AND RECOMMENDATIONS  
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Finding - Inadequate Internal Controls Over Computer System (Continued)

Recommendations (Continued)

- A recently completed security evaluation of the MIS encompassing the technology being selected.
- That the County office users be required to periodically change their passwords.

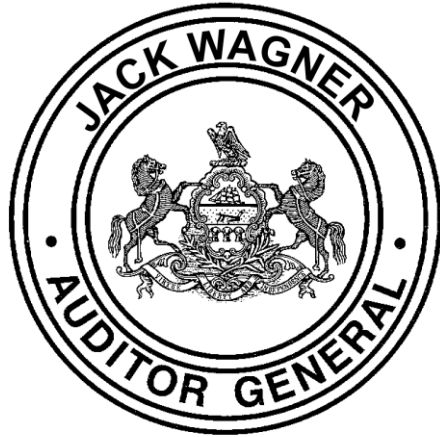
Management's Response

The County Officer responded as follows:

The Prothonotary's office has two computer systems, network, which is the over-all system that county employees use for Microsoft Word, Application Enabler, e-mails, and internet, if the employee has clearance to use the internet to perform their duties. The only two in the Prothonotary's office who have internet access are the Prothonotary and the protection from abuse coordinator to access P.F.A.D. The other system used by the Prothonotary's office is Smart Term which is a county system which is used by the employees of the office and the public to access civil filings which works in hand with the Application Enabler to retrieve filings and see the actual filings on the computer screen which is available to the public, and if a person would want a receipt from making copies or for a filing fee, a receipt is printed for the public for their records only and most times they don't want a receipt because their check is their receipt. All information that is in our system is public knowledge. Changing passwords in the Prothonotary office will be more of a problem than a helpful solution for security concerns because of the public access.

Auditor's Conclusion

The passwords that should be changed periodically are for those terminals used by the County employees, not necessarily the computer terminals used by the public.



PROTHONOTARY  
SCHUYLKILL COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2005 TO DECEMBER 31, 2008

This report was initially distributed to:

Mr. C. Daniel Hassell  
Acting Secretary  
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines  
Court Administrator of Pennsylvania  
Supreme Court of Pennsylvania  
Administrative Office of Pennsylvania Courts

Prothonotary  
Schuylkill County  
401 North Second Street  
Pottsville, PA 17901

The Honorable Peter J. Symons, Jr.	Prothonotary
The Honorable Melinda G. Kantner	Controller
The Honorable Mantura M. Gallagher	Chairwoman of the Board of Commissioners

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, 318 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](http://www.auditorgen.state.pa.us).