



CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
AUDIT REPORT
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

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Independent Auditor's Report

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the accompanying statement of receipts and disbursements – cash basis of the Clerk of The Court of Common Pleas and Adult Probation and Parole Department, Chester County, Pennsylvania (County Officers), for the period January 1, 2002 to December 31, 2004, pursuant to the requirements of Section 401(b) and 902 of *The Fiscal Code*. This financial statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the accompanying financial statement was prepared using accounting practices prescribed by the Pennsylvania Department of Revenue, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The financial statement presents only the Commonwealth portion of cash receipts and disbursements and is not intended to present fairly the financial position and results of operations of the County Officers, in conformity with accounting principles generally accepted in the United States.

Independent Auditor's Report (Continued)

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County Officers, as of December 31, 2004, the changes in its financial position, or where applicable, its cash flows for the period then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the operations of the County Officers as it pertains to receipts made on behalf of the Department of Revenue and other state agencies for the period January 1, 2002 to December 31, 2004, on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statement of the County Officers taken as a whole. The accompanying Schedule 1 for the period January 1, 2002 to December 31, 2004, is supplemental information required by the Department of Revenue and is not a required part of the financial statement. The information in that schedule has been subjected to the procedures applied in the audit of the financial statement, and in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2006, on our consideration of the County Officers' internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 Officers and is not intended to be and should not be used by anyone other than these specified parties.

January 23, 2006

JACK WAGNER
Auditor General

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Receipts:

Department of Transportation		
Title 75 Fines	\$	389,217.41
Overweight Fines		1,069.61
Department of Revenue Court Costs		183,941.82
Crime Victims' Compensation Costs		379,405.39
Crime Commission Costs/Victim Witness Services Costs		216,503.02
Domestic Violence Costs		164,075.99
Miscellaneous Costs		209,190.13
Office of Victims' Services Costs		47,770.61
Emergency Medical Services Fines		39,002.57
DUI - ARD/EMS Fees		82,436.64
CAT/MCARE Fund Surcharges		416,360.01
Judicial Computer System/Access to Justice Fees		37,533.45
Offender Supervision Fees		1,387,467.66
Constable Service Surcharges		19,743.15
Criminal Laboratory Users' Fees		317,117.45
Probation and Parole Officers' Firearm Education Costs		46,543.19
Substance Abuse Education Costs		<u>106,327.13</u>
 Total receipts (Note 2)	 \$	 4,043,705.23
 Disbursements to Department of Revenue (Note 3)		 <u>(4,044,297.77)</u>
 Balance due Department of Revenue (County) per settled reports (Note 4)		 (592.54)
 Audit adjustments (Exhibit 1)		 <u>(450.00)</u>
 Adjusted balance due Department of Revenue (County) for the period January 1, 2002 to December 31, 2004	 \$	 <u><u>(1,042.54)</u></u>

Notes to the financial statement are an integral part of this report.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

1. Summary Of Significant Accounting Policies

Basis Of Presentation

The financial statement was prepared in accordance with the requirements of the Pennsylvania Department of Revenue. This financial statement is not intended to present either financial results of operations or financial position in conformity with generally accepted accounting principles.

Basis Of Accounting

The financial statement was prepared on the cash basis of accounting. Under this method, revenues were recognized when received and expenditures were recognized when paid.

Audit Requirement

The financial presentation has been prepared in accordance with Title 72 P.S. Section 401 (b) of *The Fiscal Code*, which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth has been remitted properly and to provide the Department of Revenue with a report to enable them to settle an account covering any delinquency. A statement of assets and liabilities was not a required part of the financial presentation because of the limited reporting scope by the Clerk of the Court of Common Pleas and Adult Probation and Parole Department. Therefore, a statement of assets and liabilities was not audited and is not a part of this report.

2. Receipts

Receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Department of Revenue and other state agencies. 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.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

3. Disbursements

Total disbursements are comprised as follows:

Chester County Treasurer's checks issued to:

Department of Revenue	<u>\$ 4,044,297.77</u>
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4. Balance Due Department Of Revenue (County) For The Period January 1, 2002 To December 31, 2004

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. It does not reflect adjustments disclosed by our audit. Refer to Exhibit 1.

5. County Officers Serving During Audit Period

Teena A. Peters served as the Clerk of The Court of Common Pleas for the period January 1, 2002 to December 31, 2004.

Larry Scherff served as Director of Adult Probation and Parole Department for the period January 1, 2002 to December 31, 2004.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
SCHEDULE 1
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Schedule 1 - Reconciliation Of Settled Reports

Date of Summary of Collections Report	Balance Due - Settled Reports Dept. of Revenue (County)	Adjustments	Adjusted Balance Due Dept. of Revenue (County)
2002			
January	\$ -	\$ -	\$ -
February	(40.00)	-	(40.00)
March	-	-	-
April	-	-	-
May	-	-	-
June	40.00	-	40.00
July	-	-	-
August	-	-	-
September	-	-	-
October	-	-	-
November	-	-	-
December	40.00	-	40.00
2003			
January	-	-	-
February	-	-	-
March	-	-	-
April	-	-	-
May	-	-	-
June	(12.50)	-	(12.50)
July	(19.20)	-	(19.20)
August	-	-	-
September	-	-	-
October	12.50	-	12.50
November	-	-	-
December	19.20	-	19.20

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
SCHEDULE 1
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Schedule 1 - Reconciliation Of Settled Reports (Continued)

Date of Summary of Collections Report	Balance Due - Settled Reports Dept. of Revenue (County)	Adjustments	Adjusted Balance Due Dept. of Revenue (County)
2004			
January	\$ (161.40)	\$ -	\$ (161.40)
February	(9.57)	-	(9.57)
March	(250.00)	-	(250.00)
April	-	-	-
May	-	-	-
June	-	-	-
July	270.97	-	270.97
August	-	-	-
September	(12.50)	-	(12.50)
October	(370.04)	-	(370.04)
November	-	-	-
December	(100.00)	-	(100.00)
Balance due Department of Revenue (County) per settled reports			(592.54)
Audit adjustments (Exhibit 1)			(450.00)
Adjusted balance due Department of Revenue (County) for the period January 1, 2002 to December 31, 2004			<u>\$ (1,042.54)</u>

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
EXHIBIT 1
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Exhibit 1 - Schedule Of Reporting Errors And Audit Adjustments

<u>Date</u>	<u>Case Number</u>	<u>Total Payments</u>	<u>Total Balance Due County</u>	<u>Explanation</u>
02/25/02	0751-01	\$ 74.50	\$ 74.50	*
03/20/02	0751-01	75.50	75.50	*
02/14/02	1387-01	150.00	150.00	*
06/13/02	2977-01	150.00	<u>150.00</u>	*
	Total		<u>\$ 450.00</u>	

* Driving under the influence fine was remitted to the Commonwealth in error.

Report On Compliance And On
Internal Control Over Financial Reporting

The Honorable Gregory C. Fajt
Secretary
Department of Revenue
Harrisburg, PA 17128

We have audited the statement of receipts and disbursements – cash basis of the Clerk of The Court of Common Pleas and Adult Probation and Parole Department, Chester County, Pennsylvania (County Officers), for the period January 1, 2002 to December 31, 2004, and have issued our report thereon dated January 23, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County Officers' financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, our tests disclosed the following immaterial instance of noncompliance:

- Inadequate Procedures Utilized In Assessing Costs.

Report On Compliance And On
Internal Control Over Financial Reporting (Continued)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County Officers' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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 Officers and is not intended to be and should not be used by anyone other than these specified parties.

January 23, 2006

JACK WAGNER
Auditor General

CLERK OF THE COURT OF COMMON PLEAS
CHESTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Finding - Inadequate Procedures Utilized In Assessing Costs

Our audit disclosed that the Clerk of Court did not assess certain costs as mandated by law. Of 57 cases tested, we noted the following discrepancies:

- There were 10 cases in which Crime Commission Costs/Victim Witness Services Costs (CCC) and Crime Victims Compensation Costs (CVC) were incorrectly assessed twice on each case.
- There were 18 cases in which the CCC were not assessed and 4 cases in which an incorrect amount was assessed.
- There were 18 cases in which the Domestic Violence Costs (DVC) were assessed in error and 4 cases in which an incorrect amount was assessed.

The following state statutes address the assessment of costs that were not properly assessed:

- Title 18 P.S. § 11.1101 authorizes the collection of \$15.00 for CCC. Effective December 28, 2000, the cost was increased from \$15.00 to \$25.00.
- Title 18 P.S. § 11.1101 authorizes the collection of a \$15.00 for CVC. Effective August 27, 2002, the cost was increased from \$15.00 to \$35.00.
- Title 71 P.S. § 611.13 (b) authorizes the collection of \$10.00 for DVC to be assessed against any person who pleads guilty or nolo contendere or who is convicted of a crime as defined in 71 P.S. § 611.13 (e). It is not assessed on cases where the defendant enters a diversionary program.

The office is responsible for assessing costs as mandated by law. The failure to correctly assess costs could result in a loss of revenue to the Commonwealth.

We believe this condition existed because the office was not aware or up-to-date on laws and regulations regarding the proper assessment of Commonwealth costs.

CLERK OF THE COURT OF COMMON PLEAS
CHESTER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

Finding - Inadequate Procedures Utilized In Assessing Costs (Continued)

Recommendation

We recommend that the office review the laws noted above and ensure that costs are assessed as mandated by law.

Auditee Response

The Clerk of the Court of Common Pleas responded as follows:

The finding has been discussed with Clerk of Courts staff and has been addressed.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
CHESTER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2002 TO DECEMBER 31, 2004

This report was initially distributed to:

The Honorable Gregory C. Fajt
Secretary
Department of Revenue

Ms. Darlene Zelanzy
Pennsylvania Board of Probation and Parole
Office of Probation and Parole Services
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Harrisburg, PA 17104-2520

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

Clerk of The Court of Common Pleas
Chester County
Chester County Courthouse
Chester, PA 19380

The Honorable Teena A. Peters	Clerk of The Court of Common Pleas
The Honorable Ray E. White, Jr.	Controller
The Honorable Donald A. Mancini	Chairman of the Board
Mr. Larry Scherff	Director, Adult Probation and Parole Department

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. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.