

COMPLIANCE AUDIT

Clerk of the Court of Common Pleas Schuylkill County, Pennsylvania For the Period January 1, 2018 to December 31, 2022

May 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Clerk of Courts, Schuylkill County, Pennsylvania (County Officer), for the period January 1, 2018 to December 31, 2022, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b).

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.

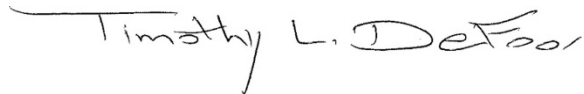
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2022, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the findings listed below and discussed later in this report:

- Bank Deposit Slips Were Not Validated - Recurring.
- Inadequate Internal Controls Over The Bank Account.
- Inadequate Voided Receipt Procedures.
- Inadequate Assessment Of Fines, Costs, Fees, And Surcharges.

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, which obtains data from each of the Commonwealth's Court of Common Pleas clerk of court's 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 County Officer's management. We appreciate the courtesy extended to us by the Schuylkill County Clerk of Courts 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.



Timothy L. DeFoor
Auditor General
April 17, 2024

CONTENTS

	<u>Page</u>
Background.....	1
Summary Of Receipts And Disbursements	2
Findings And Recommendations:	
Finding No. 1 - Bank Deposit Slips Were Not Validated - Recurring	3
Finding No. 2 - Inadequate Internal Controls Over The Bank Account.....	5
Finding No. 3 - Inadequate Voided Receipt Procedures	7
Finding No. 4 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges	8
Summary Of Prior Audit Recommendations	12
Report Distribution	13

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

The Department of Auditor General is mandated by Article IV, Section 401(b) 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.

Clerk of Court of Common Pleas receipts are comprised of fines, costs, fees, and surcharges collected on behalf of the Commonwealth. These fines, costs, fees, and surcharges represent collections made on summary and criminal cases paid to the Clerk of Court.

Total disbursements during the audit period are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 4,222,364
Department of Attorney General	635
State Police	200
Department of Human Services	143
Department of Public Welfare	27
Department of Veterans Affairs	13
Office of Inspector General	<u>35</u>
Total	<u><u>\$ 4,223,417</u></u>

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of any receipts disbursed directly to other state agencies.

Maria Casey served as the Clerk of the Court of Common Pleas for the period January 1, 2018 to December 31, 2022.

The Summary of Receipts and Disbursements provides a breakdown of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges 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.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Receipts:

Department of Transportation		
Title 75 Fines	\$	285,943
Overweight Fines		1,425
Department of Revenue Court Costs		116,007
Crime Victims' Compensation Costs		327,899
Crime Commission Costs/Victim Witness Services Costs		243,972
Domestic Violence Costs		24,506
Emergency Medical Services Fines		26,741
DUI - ARD/EMS Fees		28,923
CAT/MCARE Fund Surcharges		89,628
Judicial Computer System/Access to Justice Fees		357,471
Offender Supervision Fees		1,659,108
Constable Service Surcharges		199
Criminal Laboratory Users' Fees		119,844
Probation and Parole Officers' Firearm Education Costs		22,044
Substance Abuse Education Costs		175,653
Office of Victims' Services Costs		87,262
Miscellaneous State Fines and Costs		<u>656,792</u>
 Total receipts		 4,223,417
 Disbursements to Commonwealth		 <u>(4,223,417)</u>
 Balance due Commonwealth (County) per settled reports		 -
 Audit adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2022		 <u>\$ -</u>

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 1 - Bank Deposit Slips Were Not Validated - Recurring

We cited the issue of bank deposit slips not being correctly validated in our prior audit report for the period May 1, 2014 to December 31, 2017. Our current audit found that the office did not correct this issue. Our audit found that the bank deposit slip was not validated by the bank for any of the deposits tested. The office received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make-up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that 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 identifies total cash and the total deposit. After the office receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

The officeholder stated that the County's Controller asked both the bank manager and the bank's head of Government Relations to validate deposit slips as to the mix of cash and checks, but they refused.

Without a good system of internal controls over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

Recommendations

We strongly recommend that the office obtain bank validation as to the mix of cash and checks deposited or obtain a deposit ticket from the bank that identifies the total cash and the total deposit. We further recommend that the validated deposit slips or amounts identified on deposit tickets are reconciled to receipts by someone other than the person preparing or making the deposit.

Management's Response

The County Officer responded as follows:

There is a three tier authentication process currently in place at the Clerk of Courts. This includes a double check procedure within the Office by two employees as well as validation by the Schuylkill County Treasurer.

Despite repeated requests, [bank name redacted] refuses to validate the receipts.

The current procedure is sound and prevents any fraud; however, the Office will again reach out to [bank name redacted] for validation.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 1 - Bank Deposit Slips Were Not Validated - Recurring (Continued)

Auditor's Conclusion

Although the office implemented a system where all deposits are validated by the Treasurer's office, this procedure does not provide the Clerk of Court's office with an independent verification of the mix of cash and checks that are subsequently deposited in the bank after they are processed in the Treasurer's office. During our next audit, we will determine if the office complied with our recommendations.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Internal Controls Over The Bank Account

Our audit of the accounting records for the office disclosed the following deficiencies in internal controls over the bank account:

- The office does not properly reconcile the bank account monthly. The office used deposit adjustments to balance the account instead of investigating and clearing outstanding deposits.
- There were outstanding deposits totaling \$31,957.24, dated from August 3, 2017 to February 24, 2020, that were still outstanding as of December 31, 2022. There were deposits that are as old as 1,976 days outstanding without resolution.
- There were outstanding checks totaling \$39,124.15 dated from September 1, 2016 to June 15, 2022, that were still outstanding as of December 31, 2022. There were checks that are as old as 2,312 days outstanding without resolution.

A good system of internal controls ensures that:

- Bank statements are reconciled to the book balance on a monthly basis and any discrepancies are immediately investigated and resolved.
- Adequate procedures are established to follow-up on all outstanding checks. If a check is outstanding for over 120 days, efforts should be made to locate the payee. If efforts to locate the payee are unsuccessful, the amount of the check should be removed from the outstanding checklist, added back to the checkbook balance, and subsequently held in escrow for unclaimed escheatable funds.

The office staff stated that the outstanding deposits were retained on the account as the result of credit card payments that were left unresolved during the bank reconciliation. In addition, the office did not follow its established escheat procedures regarding the outstanding checks.

Without a good system of internal controls over the bank account, the possibility of funds being lost or misappropriated increases significantly.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 2 - Inadequate Internal Controls Over The Bank Account (Continued)

Recommendations

We recommend that the office establish and implement an adequate system of internal controls over the bank account as noted above. The office should investigate any discrepancies with deposits and resolve them in a timely manner. In addition, all checks that are outstanding over 120 days should be escheated as required.

Management's Response

The County Officer responded as follows:

The reconciliation of accounts is done in a timely manner. Issues exist with the processing of credit card payments by [bank name redacted].

This Finding will be addressed.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 3 - Inadequate Voided Receipt Procedures

Our audit disclosed that proper voided receipt procedures were not always followed. Of 15 voided receipts tested, we noted that:

- The office did not maintain copies of voided receipts in the case files. Voided receipts were printed upon request. In addition, the case files did not contain evidence that the voids were reviewed by an appropriate official.
- We found that the case files for 11 of the 15 voided receipts lacked proper documentation as to the reason why the original receipt was voided. The office did not establish and maintain procedures for the review and authorization of voided receipts. The case files for the other four voided receipts contained notes that detailed why the original receipt was voided.

Good internal accounting controls require that if a receipt must be voided, proper documentation and authorization should be maintained to explain the reason for the void.

The office staff stated that they did not maintain the original physical copies of receipts because staff can print receipts as needed and can generate a report of voided receipts each month.

Without a good system of internal control over voids made by the office, the potential is increased that funds could be lost, stolen, or misappropriated.

Recommendations

We recommend that the office establish and implement an adequate system of internal controls over voided receipts as noted above. These procedures should include maintaining the original voided receipt along with sufficient documentation as to the reason for the void and evidence of review by the appropriate official.

Management's Response

The County Officer responded as follows:

The voided receipts are available immediately online and may be accessed by Staff if necessary. Going forward, voided receipts will also be available in the files.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 4 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges

Our audit disclosed that certain fines, costs, fees, and surcharges were not assessed as mandated by law. Of 60 general docketed cases, four Amber Alert cases, and 30 DNA cases tested, we noted the following discrepancies:

- There were four cases in which Department of Revenue Court Costs were not assessed properly.
- There were seven cases in which the Judicial Computer System/Access To Justice (JCS/ATJ) Fees were not assessed properly.
- There was one case in which the Emergency Medical Services (EMS) Fine was not assessed properly.
- There was one case in which Domestic Violence Costs were not properly assessed.
- There were two cases in which the Catastrophic Fund Surcharge or Transportation Trust Surcharge was not assessed properly.
- There was one case in which the Substance Abuse Education Cost was not assessed properly.
- There were 24 cases in which the DNA Cost was not assessed properly.
- There were four cases in which the Amber Alert System Cost was not assessed properly.
- There were two cases in which the Criminal Justice Enhancement Account Fee was not assessed properly.
- There was one case in which the DUI-ARD-EMS fee was not assessed properly.
- There was one case in which the Offender Supervision Fee was not assessed properly.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 4 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges (Continued)

The following state statutes address the assessment of fines, costs, fees, and surcharges that were not properly assessed:

- 42 Pa. C.S. § 1725.1 provides for the collection of Department of Revenue Court Costs in varying amounts depending on whether the violation is a summary, misdemeanor, or felony.
- 42 Pa. C.S. § 3733 provides for the collection of Judicial Computer System/Access to Justice (JCS/ATJ) Fees.
- 35 Pa. C.S. § 8153 authorizes the collection for the Emergency Medical Services Fine.
- 71 Pa. C.S. § 611.13 (b) authorizes a \$10 Domestic Violence Cost to be assessed against any person who pleads guilty or nolo contendere or who is convicted of a crime as defined therein.
- 75 Pa. C.S. § 6506(a) provides for the collection of the Catastrophic Fund Surcharge. Effective January 1, 2014, ACT 89 of 2013 provides for the collection of the PA Transportation Trust Surcharge.
- 18 Pa. C.S. § 7508.1 provides for the collection of Substance Abuse Education Costs. This section imposed a \$100 cost on driving under the influence (DUI) offenses and on all drug related offenses covered in the Controlled Substance, Drug, Device and Cosmetic Act. DUI offenses in which the offender's blood alcohol level is greater than .16% require an additional \$200 cost. The cost is distributed 50/50 between the County and Commonwealth.
- 44 Pa. C.S. § 2322, specifies that all felonies, regardless of offense, and specific misdemeanors relating to luring a child into a motor vehicle and relating to indecent assault, authorize the automatic assessment of a \$250 DNA fee. Effective December 1, 2019, Act 147 of 2018 requires that all felonies, all first-degree misdemeanors, and second-degree misdemeanors as specified are also subject to this fee.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 4 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges (Continued)

- 35 Pa. C.S. § 7025.4 provides for the collection of the Amber Alert System Cost. Unless the court finds that undue hardship would result, in addition to any other cost imposed by law, a cost of \$25 shall automatically be assessed on each person convicted, adjudicated delinquent, or granted accelerated rehabilitative disposition (ARD) of the offenses in 18 Pa. C.S. § 2901 -2910.
- 42 Pa. C.S. § 3575 (b) provides for the collection of a \$50 Criminal Justice Enhancement Account (CJEA) Fee if a defendant accepts Accelerated Rehabilitative Disposition, is convicted of or enters a plea of guilt or nolo contendere for a felony, misdemeanor of the first degree, or misdemeanor of the second degree as set forth in Title 18 PA.C.S. (relating to crimes and offenses), or is convicted of or enters a plea of guilt or nolo contendere for a violation of Title 35, Section 780-113(a)(16), known as The Controlled Substance, Drug, Device and Cosmetic Act.
- 75 Pa. C.S. Section 3807(b)(1)(ix) provides for the collection of a \$25 DUI-ARD EMS Fee on all driving under the influence (DUI) offenses where there is an Accelerated Rehabilitative Disposition (ARD). Effective February 26, 2021, Act 93 of 2020 increased the fee to \$50.
- 18 PA. C.S. § 11.1102 provides for the collection of a minimum Offender Supervision Fee.

The office staff stated that they follow the sentencing order of the County. However, the sentencing orders included incorrect assessments of fines, costs, fees, and surcharges in certain instances. As a result, the incorrect amounts of fines, costs, fees, and surcharges were recorded and assessed.

These improper assessments resulted in defendants not being charged the proper amount of costs and fees associated with the violations; and/or a loss of revenue to the Commonwealth and County.

Recommendation

We recommend that fines, costs, fees, and surcharges are assessed as mandated by law.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Finding No. 4 - Inadequate Assessment Of Fines, Costs, Fees, And Surcharges (Continued)

Management's Response

The County Officer responded as follows:

Fines, costs, fees, and surcharges are assessed as mandated by the Court and its Judges pursuant to the Orders issued by the Court.

The Clerk of Courts is a filing Office only and has no authority to change the Court Orders issued by the Court.

The Office will discuss with the Court the implementation of more general language in the Orders; however, this decision lies solely within the province of the Court and this Office will abide by the decision made by the Court and its Judges.

Auditor's Conclusion

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

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the office:

- Obtains a validation from the bank as to the mix of cash and checks deposited. We further recommended that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

Our current audit found that the office did not comply with our prior recommendations. Please see Finding No. 1 for additional information.

CLERK OF THE COURT OF COMMON PLEAS
SCHUYLKILL COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2022

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable Andrea Tuominen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

Mr. Thomas J. Dougherty
Director
Division of Grants and Standards
Pennsylvania Board of Probation and Parole

The Honorable Crista DiCasimirro
Clerk of the Court of Common Pleas

The Honorable Sharyn Yackenchick
Controller

The Honorable Barron Hetherington
Chairperson of the Board of Commissioners

The Honorable Jacqueline L. Russell
President Judge

The Honorable Stacy Garrity
Pennsylvania State Treasurer

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.