



CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY

INDIANA COUNTY

EXAMINATION REPORT

FOR THE PERIOD

JANUARY 1, 2007 TO DECEMBER 31, 2009

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Section:	
Statements Of Receipts And Disbursements:	
Clerk Of The Court Of Common Pleas	5
Prothonotary	6
Notes To The Statements Of Receipts And Disbursements	7
Findings And Recommendations:	
Finding No. 1- Inadequate Internal Controls Over The Bank Account - Prothonotary	11
Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of Common Pleas.....	12
Comment.....	15
Report Distribution	17



**Department of the Auditor General
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120-0018**

**JACK WAGNER
AUDITOR GENERAL**

Independent Auditor's Report

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Clerk of the Court of Common Pleas/Prothonotary, Indiana County, Pennsylvania (County Officer), for the period January 1, 2007 to December 31, 2009, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). These Statements are the responsibility of the county office's management. Our responsibility is to express an opinion on these Statements based on our examination.

Except as discussed in the fourth paragraph, 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 Statements 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)

As discussed in Finding No. 2, a population of manual receipts could not be determined. Without these records, we could not perform our standard examination procedures. As a result, the scope of our examination of the Clerk of the Court of Common Pleas' Statement was limited, and we were unable to satisfy ourselves by other examination procedures.

In our opinion, except for the effects, if any, of the matters noted in the preceding paragraph, the Statements referred to above present, 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, 2006, 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 Statements 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 Statements are 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 Statements 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 Statements that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statements:

- Inadequate Internal Controls Over The Bank Account - Prothonotary.
- Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of Common Pleas.

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 Statements will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statements 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 all the significant deficiencies described above to be material weaknesses.

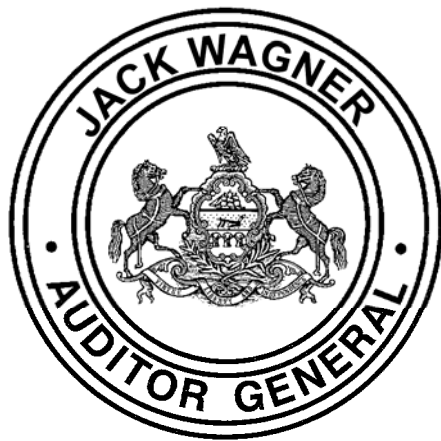
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We are concerned in light of the County Officer's failure to correct previously reported findings regarding inadequate internal controls over the bank accounts and manual receipts. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendations and corrective action noted in this examination report.

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.

January 19, 2012

JACK WAGNER
Auditor General



CLERK OF THE COURT OF COMMON PLEAS
INDIANA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Receipts:

Department of Transportation		
Title 75 Fines	\$	174,154
Overweight Fines		150
Department of Revenue Court Costs		61,279
Crime Victims' Compensation Costs		121,159
Crime Commission Costs/Victim Witness Services Costs		86,185
Domestic Violence Costs		12,480
Emergency Medical Services Fines		6,774
DUI - ARD/EMS Fees		23,338
CAT/MCARE Fund Surcharges		101,300
Judicial Computer System/Access to Justice Fees		25,730
Offender Supervision Fees		407,063
Constable Service Surcharges		552
Criminal Laboratory Users' Fees		116,392
Probation and Parole Officers' Firearm Education Costs		11,745
Substance Abuse Education Costs		92,359
Office of Victims' Services Costs		13,876
Miscellaneous State Fines, Costs and Restitution		<u>81,107</u>
 Total receipts (Note 2)		 1,335,643
 Disbursements to Commonwealth (Note 4)		 <u>1,335,643</u>
 Balance due Commonwealth (County) (Note 5) for the period January 1, 2007 to December 31, 2009		 -
 Examination adjustment (Note 6)		 <u>988</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2009	 \$	 <u><u>988</u></u>

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

PROTHONOTARY
INDIANA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Receipts:

Writ Taxes	\$	2,070
Divorce Complaint Surcharges		6,080
Judicial Computer System/Access To Justice Fees		51,764
Protection From Abuse Surcharges and Contempt Fines		1,250
Criminal Charge Information System Fees		<u>2,647</u>
Total Receipts (Note 2)		63,811
Commissions (Note 3)		<u>(62)</u>
Net Receipts		63,749
Disbursements to Commonwealth (Note 4)		<u>(63,749)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2007 to December 31, 2009	\$	<u><u>-</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
INDIANA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

1. Criteria

The Statements of Receipts and Disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, taxes, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statements were 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

Clerk Of The 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 filed with the Clerk of the Court of Common Pleas' Office.

Prothonotary

Receipts are comprised of taxes, surcharges, fees, and fines 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 temporarily increased to \$23.50 for the period December 8, 2009 to December 31, 2014.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
INDIANA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

2. Receipts (Continued)

Prothonotary (Continued)

- 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.
- 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 \$6.50 for the period January 1, 2007 to December 31, 2007 and \$7 for the period January 1, 2008 to December 31, 2009. 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.

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
INDIANA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

4. Disbursements

Clerk Of The Court Of Common Pleas

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 1,332,475
Commonwealth of Pennsylvania	1
Department of Conservation and Natural Resources	299
Department of Transportation	1,573
Department of Public Welfare	75
Inspector General	903
State Police	317
Total	\$ 1,335,643

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 61,102
Administrative Office of Pennsylvania Courts	2,647
Total	\$ 63,749

CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
INDIANA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

5. Balance Due Commonwealth (County) For The Period January 1, 2007 To December 31, 2009

Clerk Of The Court Of Common Pleas/Prothonotary

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.

6. Examination Adjustment - Clerk Of The Court Of Common Pleas

The examination adjustment represents interest earned on Commonwealth funds during the examination period that was not remitted to the Department of Revenue.

7. County Officers Serving During Examination Period

Linda Moore-Mack served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2007 until passing away in June 8, 2008.

First Deputy Judy Wolfe was appointed by the Governor as the Clerk of Court of Common Pleas/Prothonotary. She served from June 9, 2009 to December 31, 2009.

PROTHONOTARY
INDIANA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Finding No. 1 - Inadequate Internal Controls Over The Bank Account - Prothonotary

Our examination disclosed that accountability over funds held in escrow was inadequate. Our examination revealed that on December 31, 2009, the Prothonotary's bank account balance was \$48,482. Because the Prothonotary's office had inadequate control over money held in escrow, a reconciliation of cash on hand and liabilities could not be performed.

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.

This condition existed because the office failed to establish and implement an adequate system of internal controls over funds held in escrow.

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

This condition was cited in four prior examinations, the most recent ending December 31, 2006.

Recommendations

We again recommend that the office should ensure that reconciled cash equals unpaid obligations monthly. Furthermore, any unidentified funds should be accounted for under normal escheat procedures.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendations.

CLERK OF THE COURT OF COMMON PLEAS
INDIANA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of
Common Pleas

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt is replaced by an official computer-generated receipt and included in the daily receipts.

Our examination disclosed that required manual receipt procedures were not always followed.

We noted the following weaknesses:

- Not all issued and unissued receipts, including all 2007 issued manual receipts, could be located. They were not available for examination.
- A manual receipts log was not maintained to record the issuance of manual receipts.
- Manual receipts were not pre-numbered. Manual receipt numbers were being hand written on the receipts.
- The sequence of hand-written manual receipt numbers were random and not in sequential order.

Because of these conditions, a population of manual receipts could not be determined.

Furthermore, of the 25 manual receipts located and tested, we noted the following weaknesses:

- There were 12 instances in which the computer receipt was not generated timely after the issuance of the corresponding manual receipt. The time lapse from the date of the manual receipt to the corresponding computer receipt was 5 days to 27 days.
- There were eight instances in which the information on the computer-generated receipt did not agree with the information recorded on the manual receipt. However, the amounts in both receipts agreed.
- There were nine instances in which the manual receipt number hand-written on the receipt was not entered into the computer system when the corresponding computer receipt was generated.

CLERK OF THE COURT OF COMMON PLEAS
INDIANA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of
Common Pleas (Continued)

- There were six manual receipts that were not properly completed.

Good internal accounting controls ensure that:

- Manual receipts are accounted for and maintained.
- A manual receipt log is maintained to document information that is recorded on the manual receipt, including date issued, date filed, case number, signature of the person receiving the payment, remitter name, payment source, and payment method. This will provide an audit trail on the issuance of the manual receipt.
- Manual receipts are pre-numbered.
- Manual receipts are issued in numerical sequence.
- Computer receipts are generated timely after the issuance of the corresponding manual receipts.
- Information on the computer-generated receipt agrees with the information recorded on the manual receipt.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.
- 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.
- Only official Common Pleas Case Management System (CPCMS) manual receipts and log, that are available through the computer system, are used.

CLERK OF THE COURT OF COMMON PLEAS
INDIANA COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Finding No. 2 - Inadequate Internal Controls Over Manual Receipts - Clerk Of The Court Of
Common Pleas (Continued)

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

Adherence to good internal accounting controls would have ensured adequate internal controls over receipts.

These conditions existed because the office failed to establish and implement an adequate system of internal controls over manual receipts.

This condition was cited in our prior examination ending December 31, 2006.

Recommendation

We again recommend that the office establish and implement an adequate system of internal controls over manual receipts as noted above.

Management's Response

No formal response was offered at this time

Auditor's Conclusion

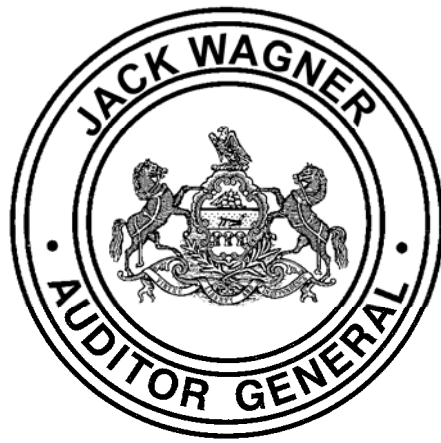
This is a recurring finding. We strongly recommend that the office comply with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS
INDIANA COUNTY
COMMENT
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

Comment - Compliance With Prior Examination Recommendation

During our prior examination, we recommended that the Clerk of the Court of Common Pleas review the laws to ensure that costs and fees are assessed as mandated by law.

Our current examination found that the office substantially complied with our prior examination recommendation. Insignificant instances of noncompliance were verbally communicated to the office.



CLERK OF THE COURT OF COMMON PLEAS/
PROTHONOTARY
INDIANA COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2007 TO DECEMBER 31, 2009

This report was initially distributed to:

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The Honorable Randy Degenkolb Clerk of the Court of Common Pleas/
Prothonotary

The Honorable William J. Martin President Judge

The Honorable Rodney Ruddock Chairman of the Board of Commissioners

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