

ATTESTATION ENGAGEMENT

Clerk of the Court of Common Pleas/Bureau of Fines and Costs and Probation Services Dauphin County, Pennsylvania For the Period January 1, 2014 to December 31, 2017

February 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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Department of the Auditor General
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of the Clerk of the Court of Common Pleas and the Bureau of Fines and Costs and Probation Services, Dauphin County, Pennsylvania (County Officer), for the period January 1, 2014 to December 31, 2017, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). The County Office's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(b) 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 Section 401(b) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above, for the period January 1, 2014 to December 31, 2017, is presented in accordance with the criteria set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our engagement we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the finding listed below to be a significant deficiency:

- Inadequate Outstanding Check Procedures - Bureau Of Fines And Costs.

Independent Auditor's Report (Continued)

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

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.

We appreciate the courtesy extended by the Clerk of the Court of Common Pleas and Bureau of Costs and Fines and Probation Services, Dauphin County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale
Auditor General

February 5, 2019

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CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Receipts:

Department of Transportation		
Title 75 Fines	\$	534,499
Overweight Fines		1,140
Department of Revenue Court Costs		277,770
Crime Victims' Compensation Costs		819,142
Crime Commission Costs/Victim Witness Services Costs		896,433
Domestic Violence Costs		78,590
Emergency Medical Services Fines		56,267
DUI - ARD/EMS Fees		50,616
CAT/MCARE Fund Surcharges		201,639
Judicial Computer System/Access to Justice Fees		552,752
Offender Supervision Fees		2,758,478
Constable Service Surcharges		337
Criminal Laboratory Users' Fees		113,610
Probation and Parole Officers' Firearm Education Costs		53,873
Substance Abuse Education Costs		424,856
Office of Victims' Services Costs		111,867
Miscellaneous State Fines and Costs		<u>2,863,351</u>
 Total receipts (Note 2)		 9,795,220
 Disbursements to Commonwealth (Note 3)		 <u>(9,795,220)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2014 to December 31, 2017		 <u><u>\$ -</u></u>

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

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

1. Criteria

The Statement of Receipts and Disbursements provides a summary 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 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 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.

3. Disbursements

Total disbursements are comprised as follows:

Clerk of the Court checks issued to:

Department of Revenue	\$ 9,772,290
State Police	411
Department of Community & Economic Development	12,960
Department of General Services	9,519
Liquor Control Board	40
Total	\$ 9,795,220

4. Balance Due Commonwealth (County) For The Period January 1, 2014 To December 31, 2017

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.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

5. County Officers Serving During Examination Period

Dale Klein served as the Clerk of the Court of Common Pleas for the period January 1, 2014 to December 31, 2017.

Mariann T. Lawrence served as Director of the Bureau of Fines and Costs for the period January 1, 2014 to December 31, 2017.

Chadwick J. Libby served as Director of Probation Services for the period January 1, 2014 to December 31, 2017.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Finding - Inadequate Outstanding Check Procedures - Bureau Of Fines And Costs

Our examination of the Bureau of Fines and Costs' checking account disclosed that this office was carrying 1,672 outstanding checks totaling \$83,056.25 dated from December 5, 2005 to June 29, 2017 that were still outstanding as of December 31, 2017. The time lapse ranged from 185 days to 4,409 days.

Good internal accounting controls require that the office follow-up on all outstanding checks. If a check is outstanding for a period over 90 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 failure to follow these procedures results in a weakening of internal controls over the cash account and inefficiency caused by the needless record-keeping of outstanding checks.

This condition existed because the Bureau of Fines and Costs did not review or take appropriate follow-up action on long outstanding checks.

Recommendation

We recommend that the Bureau of Fines and Cost establish and implement a procedure whereby outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 90 days are unsuccessful, the office should reinstate the amount of outstanding checks to the checking account and subsequently hold these monies in escrow for unclaimed escheatable funds.

Management's Response

The Director of the Bureau of Fines and Costs responded as follows:

All checks are kept outstanding until they are escheated. Many times I have to void and reissue [a check] due to stale dating. Positive pay does help, but there have been times when a victim cashed a check that was supposed to be voided and reissued. The volume of checks is due to the fact of money being divided among all victims on the docket. The account is reconciled monthly so we are aware of outstanding checks. Our checks say void after 60 days, but often they are cashed after the 60 days.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

**Finding - Inadequate Outstanding Check Procedures - Bureau Of Fines And Costs
(Continued)**

Auditor's Conclusion

Although we recognize the Bureau of Fines and Costs' concerns as stated above, it is imperative that the Bureau establishes adequate internal controls over outstanding checks to ensure that all funds are safeguarded. During our next examination, we will determine if the Bureau complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

Summary Of Prior Examination Recommendation

During our prior examination, we recommended that Probation Services:

- Establish and implement an adequate system of internal controls over manual receipts.

During our current examination, we noted that Probation Services complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS/BUREAU OF FINES AND COSTS AND
PROBATION SERVICES
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2014 TO DECEMBER 31, 2017

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable Thomas B. Darr
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 Dale Klein
Clerk of the Court of Common Pleas

Ms. Mariann T. Lawrence
Director, Bureau of Costs and Fines

Mr. Chadwick J. Libby
Director, Probation Services

The Honorable Timothy DeFoor
Controller

The Honorable Joe Torsella
Pennsylvania State Treasurer

The Honorable Jeff Haste
Chairperson of the Board of Commissioners

The Honorable Richard A. Lewis
President Judge

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.