

ATTESTATION ENGAGEMENT

Clerk of the Court of
Common Pleas and Adult
Probation and Parole
Department/Prothonotary
Northumberland County, Pennsylvania
For the Period
January 1, 2016 to April 30, 2017

January 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • 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 statements of receipts and disbursements (Statements) of the Clerk of the Court of Common Pleas and Adult Probation and Parole Department/Prothonotary, Northumberland County, Pennsylvania (County Officer), for the period January 1, 2016 to April 30, 2017, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). The County Office's management is responsible for presenting these statements in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on these Statements 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 Statements are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statements 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 Statements, 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 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)

In our opinion, the Statements referred to above, for the period January 1, 2016 to April 30, 2017, are 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 Statements; 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 Statements. 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 Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statements was for the limited purpose of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 Statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed below to be material weaknesses:

- Inadequate Internal Controls Over The Bank Account - Adult Probation And Parole Department - Recurring.
- Inadequate Accountability Over Funds Held In Escrow - Prothonotary.

As part of obtaining reasonable assurance about whether the Statements are 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*.

Independent Auditor's Report (Continued)

The first examination finding contained in this report cites conditions that existed in the operation of the County Offices during the previous engagement period and were not corrected during the current examination period. The County Offices should strive to implement the recommendations and corrective actions noted in this report.

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 Adult Probation and Parole Department/Prothonotary, Northumberland County, to us during the course of our examination. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.



Eugene A. DePasquale
Auditor General

December 9, 2019

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CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT
NORTHUMBERLAND COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

Receipts:

Department of Transportation		
Title 75 Fines	\$	35,871
Department of Revenue Court Costs		20,912
Crime Victims' Compensation Costs		55,491
Crime Commission Costs/Victim Witness Services Costs		37,152
Domestic Violence Costs		5,615
Emergency Medical Services Fines		2,736
DUI - ARD/EMS Fees		4,358
CAT/MCARE Fund Surcharges		12,837
Judicial Computer System/Access to Justice Fees		45,334
Offender Supervision Fees		355,331
Constable Service Surcharges		943
Criminal Laboratory Users' Fees		1,324
Probation and Parole Officers' Firearm Education Costs		4,601
Substance Abuse Education Costs		39,740
Office of Victims' Services Costs		18,127
Miscellaneous State Fines and Costs		<u>86,342</u>
 Total receipts (Note 2)		 726,714
 Disbursements to Commonwealth (Note 4)		 <u>(726,698)</u>
 Balance due Commonwealth (County) per settled reports (Note 5)		 16
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2016 to April 30, 2017		 <u><u>\$ 16</u></u>

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

PROTHONOTARY
NORTHUMBERLAND COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

Receipts:

Writ Taxes	\$	885
Divorce Complaint Surcharges		3,000
Judicial Computer System/Access To Justice Fees		61,261
Protection From Abuse Surcharges and Contempt Fines		702
Criminal Charge Information System Fees		<u>1,453</u>
Total Receipts (Note 2)		67,301
Commissions (Note 3)		<u>(27)</u>
Net Receipts		67,274
Disbursements to Commonwealth (Note 4)		<u>(67,274)</u>
Balance due Commonwealth (County) per settled reports (Note 5)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2016 to April 30, 2017	\$	<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 AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

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 And Adult Probation And Parole Department

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 Adult Probation and Parole Department.

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 \$35.50 fee imposed for the filing of any legal paper to initiate a civil action or proceeding.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

2. Receipts (Continued)

Prothonotary (Continued)

- Protection From Abuse Surcharges represent a \$100 surcharge imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt Fines represent fines of not less than \$300 nor more than \$1,000 imposed against a defendant who is found to be in violation of a protection from abuse order.
- 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 \$8.00 for the period January 1, 2016 to April 30, 2017. 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

Clerk Of The Court Of Common Pleas And Adult Probation And Parole Department

Total disbursements are comprised as follows:

Probation Office checks issued to:

Department of Revenue	\$	724,990
Office of Attorney General		1,575
State Police		63
Department of Corrections		70
Total	\$	726,698

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

4. Disbursements (Continued)

Prothonotary

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$	65,821
Adminstrative Office of Pennsylvania Courts		1,453
 Total	 \$	 <u>67,274</u>

5. Balance Due Commonwealth (County) For The Period January 1, 2016 To April 30, 2017

Clerk Of The Court Of Common Pleas And Adult Probation And Parole Department

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.

Prothonotary

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance also reflects a summary of receipts that were disbursed directly to the Administrative Office of Pennsylvania Courts.

6. County Officers Serving During Examination Period

Justin Dunkelberger served as the Clerk of the Court of Common Pleas/Prothonotary for the period January 1, 2016 to April 30, 2017.

Timothy P. Heitzman served as the Chief Probation Officer for the period January 1, 2016 to April 30, 2017.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

**Finding No. 1 - Inadequate Internal Controls Over The Bank Account - Adult Probation
And Parole Department - Recurring**

We cited the issue of inadequate internal controls over the bank account in our prior examination report for the period January 1, 2014 to December 31, 2015. Our current examination found that the office did not correct this issue.

Our examination of the accounting records for the office disclosed that bank reconciliations were not prepared correctly. The office was using an incorrect bank balance in preparing the reconciliation.

This condition existed because the office failed to establish and implement an adequate system of internal controls over the bank account as recommended in our prior examination report

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.

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

Recommendation

We strongly recommend that the office establish and implement an adequate system of internal controls over the bank account as noted above.

Management's Response

The County Officer responded as follows:

Since the last audit that was finalized in August of 2017 (2014-2015 examination period) the Adult Probation Cost Office has made strides and added many of the checks and balances that were recommended by the Auditor General's report. This process has reduced the number of findings from the last audit down to one from three in the 2017 report (2014-2015 examination period). We will continue to make corrections as needed and have done so already on some of the suggestions that were made in the current audit.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

**Finding No. 1 - Inadequate Internal Controls Over The Bank Account - Adult Probation
And Parole Department - Recurring (Continued)**

Auditor's Conclusion

We appreciate the officeholder's efforts to correct these issues. This is a recurring finding. During our next examination, we will determine if the office complied with our recommendation.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

Finding No. 2 - Inadequate Accountability Over Funds Held In Escrow - Prothonotary

Our examination disclosed that there was no accountability over undisbursed funds. As of April 30, 2017, the office had a bank balance in its records. However, the office did not maintain a liabilities report indicating to whom the monies are due to ensure the accountability of all funds in their possession.

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.

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

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

Recommendations

We recommend that the office attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

During our next examination, we will determine if the office complied with our recommendations.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 2017

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that:

- The Prothonotary establish and implement an adequate system of internal controls over the bank account.
- The Adult Probation and Parole Department establish and implement and adequate system of internal controls over manual receipts.
- The Adult Probation and Parole Department review the laws to ensure that costs, fees, and surcharges are assessed as mandated by law.
- The Adult Probation and Parole Department establish and implement an adequate system of internal controls over the bank account.

During our current examination, we noted that the office complied with our first three bulleted recommendations. However, the office did not comply with our last bulleted recommendation. Please see the current year Finding No. 1 for additional information.

CLERK OF THE COURT OF COMMON PLEAS AND
ADULT PROBATION AND PAROLE DEPARTMENT/PROTHONOTARY
NORTHUMBERLAND COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2016 TO APRIL 30, 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 Jamie Saleski
Clerk of the Court of Common Pleas/Prothonotary

Mr. Timothy P. Heitzman
Chief Probation Officer

The Honorable Chris Grayson
Controller

The Honorable Richard J. Shoch
Chairperson of the Board of Commissioners

The Honorable Charles H. Saylor
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.