

COMPLIANCE AUDIT

Clerk of the Court of Common Pleas and Department of Probation Services Luzerne County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

April 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Clerk of the Court of Common Pleas and Director of Probation Services, Luzerne County, Pennsylvania (County Officers), for the period January 1, 2018 to December 31, 2021, 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 Officers' 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 Officers are 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 Officers are 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.

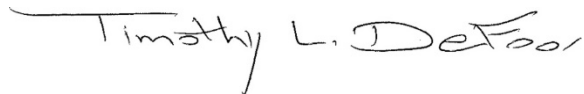
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officers, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report:

- Inadequate Outstanding Check Procedures - Department of Probation Services - Recurring.

This report includes a summary of the County Officers' receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the County Officers' receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's clerk of court of common pleas 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 Officers' 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 management of the County Officers and, where appropriate, their response has been included in the report. We appreciate the courtesy extended to us by the Clerk of the Court of Common Pleas and Department of Probation Services, Luzerne County, 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.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
February 22, 2023

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CLERK OF THE COURT OF COMMON PLEAS
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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.

Department of Probation Services 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.

Total disbursements during the audit period are comprised as follows:

Department of Probation Services checks issued to:

Department of Revenue	\$ 5,652,760
Game Commission	16
Office of Attorney General	980
State Police	82
Department of Environmental Protection	20
Department of Human Services	10,975
Department of Transportation	113
Fish and Boat Commission	390
Department of Labor and Industry	63
Liquor Control Board	3,479
Office of Inspector General	<u>3,573</u>
Total	<u><u>\$ 5,672,451</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. It does not reflect adjustments disclosed by our audit.

Joan Hoggarth served as the division head of the Clerk of the Court of Common Pleas for the period January 1, 2018 to December 31, 2021.

CLERK OF THE COURT OF COMMON PLEAS
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Michael A. Vecchio served as Director of Probation Services for the period January 1, 2018 to September 10, 2020.

Maria A. Augello served as Director of Probation Services for the period September 11, 2020 to September 23, 2021.

Ann Marie Braskey served as Interim Director of Probation Services for the period September 24, 2021 to December 31, 2021.

Luzerne County adopted a Home Rule Charter effective January 3, 2012. The position of an officeholder for the Clerk of the Court of Common Pleas was eliminated with the adoption of a Home Rule Charter. An appointed County Manager oversees all functions of the formerly elected Luzerne County row offices. The Clerk of the Court of Common Pleas function is under the Luzerne County's Division of Judicial Services and Records. A division head was appointed to oversee the Clerk of the Court of Common Pleas function.

The summary 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 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.

Audit Adjustment

The \$997 audit adjustment represents interest that was overpaid to the Department of Revenue during the audit period.

CLERK OF THE COURT OF COMMON PLEAS
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Department of Transportation		
Title 75 Fines	\$	331,449
Overweight Fines		12,439
Department of Revenue Court Costs		175,221
Crime Victims' Compensation Costs		463,655
Crime Commission Costs/Victim Witness Services Costs		333,237
Domestic Violence Costs		34,866
Emergency Medical Services Fines		27,235
DUI - ARD/EMS Fees		47,483
CAT/MCARE Fund Surcharges		93,299
Judicial Computer System/Access to Justice Fees		440,643
Offender Supervision Fees		2,061,412
Constable Service Surcharges		357
Criminal Laboratory Users' Fees		259,653
Probation and Parole Officers' Firearm Education Costs		32,543
Substance Abuse Education Costs		326,992
Office of Victims' Services Costs		56,628
Miscellaneous State Fines and Costs		<u>974,727</u>
 Total receipts		 5,671,839
 Disbursements to Commonwealth		 <u>(5,672,451)</u>
 Balance due Commonwealth (County) per settled reports		 (612)
 Audit adjustment		 <u>(997)</u>
 Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	 \$	 <u><u>(1,609)</u></u>

CLERK OF THE COURT OF COMMON PLEAS
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

**Finding - Inadequate Outstanding Check Procedures - Department of Probation Services -
Recurring**

We cited the issue of inadequate outstanding check procedures in the prior audit for the period January 1, 2014 to December 31, 2017. Our current audit found that the office did not correct this issue.

Our audit of the office checking account disclosed that the office was carrying 602 outstanding checks totaling \$31,471, dated from November 28, 2012 to June 28, 2021, that were still outstanding as of December 31, 2021.

This condition existed because the office failed to implement adequate internal controls over its outstanding check procedures as recommended in the prior audit report.

Good internal accounting controls require that the office follow-up on all outstanding checks. If a check is outstanding for a period over 180 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.

Without a good system of internal controls over outstanding check procedures, the possibility of funds being lost or misappropriated increases significantly. Also, the failure to follow-up on outstanding check procedures results in a weakening of internal controls over the cash account and inefficiency caused by the needless record-keeping of outstanding checks.

Recommendation

We again strongly recommend that the office implement a procedure to ensure outstanding checks are reviewed monthly to determine if there are any long outstanding checks. If checks remain outstanding and attempts to contact payees after 180 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.

CLERK OF THE COURT OF COMMON PLEAS
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

**Finding - Inadequate Outstanding Check Procedures - Department of Probation Services -
Recurring (Continued)**

Management's Response

The Director of Probation Services responded as follows:

This was addressed in the beginning of 2022. Audit was 2018 to 2021. Matter rectified. This office does not forward any checks if less than \$10.00 at a given time.

Auditor's Conclusion

We appreciate the 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
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
SUMMARY OF PRIOR AUDIT RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Summary Of Prior Audit Recommendation

During our prior audit, we recommended that the Probation Office:

- 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 180 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.

During our current audit, we noted that the Probation Office did not comply with our recommendation. Please see the current year finding for additional information.

CLERK OF THE COURT OF COMMON PLEAS
AND DEPARTMENT OF PROBATION SERVICES
LUZERNE COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
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 Stacy Garrity
Treasurer
Pennsylvania Office of the State Treasurer

Ms. Joan Hoggarth
Director of Judicial Services and Records

Ms. Ann Marie Braskey
Director, Department of Probation Services

The Honorable Walter Griffith
Controller

The Honorable Kendra Radle
Chairperson of County Council

The Honorable Michael T. Vough
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.