



**CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
EXAMINATION REPORT
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007**

Released April 2013

COMMONWEALTH OF PENNSYLVANIA
EUGENE A. DEPASQUALE - AUDITOR GENERAL
DEPARTMENT OF THE AUDITOR GENERAL





CLERK OF THE COURT OF COMMON PLEAS

NORTHAMPTON COUNTY

EXAMINATION REPORT

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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Daniel P. Meuser
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, Northampton County, Pennsylvania (County Officer), for the period August 1, 2005 to February 28, 2007, pursuant to the requirements of Section 401(b) of *The Fiscal Code*, 72 P.S. § 401(b). This Statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this Statement 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 Statement 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 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)

As discussed in the Finding and Recommendation section of the examination report, there were inadequate controls over cash receipts. These inadequate internal accounting controls limited the scope of our examination of the County Officer's Statement, and we were unable to satisfy ourselves by other examination.

In our opinion, except for the effects, if any, of the matter noted in the preceding paragraph, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period August 1, 2005 to February 28, 2007, 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 Statement 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 Statement is 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 Statement 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 Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over Receipts.

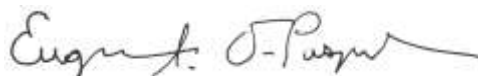
Independent Auditor's Report (Continued)

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 Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement 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 the significant deficiency described above to be a material weakness.

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 a previously reported finding regarding inadequate internal controls over receipts. During our current examination, we noted several additional significant weaknesses in the internal controls over receipts. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendation 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.



September 28, 2012

EUGENE A. DEPASQUALE
Auditor General



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007

Receipts:

Department of Transportation		
Title 75 Fines	\$	97,761
Overweight Fines		2,055
Department of Revenue Court Costs		71,575
Crime Victims' Compensation Costs		205,353
Crime Commission Costs/Victim Witness Services Costs		132,966
Domestic Violence Costs		31,708
Emergency Medical Services Fines		22,945
DUI - ARD/EMS Fees		22,755
CAT/MCARE Fund Surcharges		140,442
Judicial Computer System/Access to Justice Fees		48,457
Offender Supervision Fees		249,156
Constable Service Surcharges		1,962
Criminal Laboratory Users' Fees		32,351
Probation and Parole Officers' Firearm Education Costs		17,722
Substance Abuse Education Costs		200,862
Office of Victims' Services Costs		15,803
Miscellaneous State Fines and Costs		<u>50,848</u>
 Total receipts (Note 2)		 1,344,721
 Disbursements to Commonwealth (Note 3)		 <u>(1,344,721)</u>
 Balance due Commonwealth (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Commonwealth (County) for the period August 1, 2005 to February 28, 2007	 \$	 <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
 NORTHAMPTON COUNTY
 NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 AUGUST 1, 2005 TO FEBRUARY 28, 2007

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	\$ 1,337,727
Department of Public Welfare	2,007
Office of Inspector General	45
Commonwealth of Pennsylvania	605
Department of Transportation	87
State Police	750
Department of Environmental Protection	<u>3,500</u>
 Total	 <u><u>\$ 1,344,721</u></u>

4. Balance Due Commonwealth (County) For The Period August 1, 2005 To February 28, 2007

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
NORTHAMPTON COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
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5. County Officer Serving During Examination Period

Patricia A. Pulley served as the Clerk of the Court of Common Pleas for the period August 1, 2005 to February 28, 2007.



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007

Finding - Inadequate Internal Controls Over Receipts

Our examination of the accounting records for the office disclosed the following deficiencies in the internal controls over receipts:

- The office copy of the bank deposit slip was not validated by the bank in nine of the nine deposits tested.
- Of nine computer-generated receipts tested, two were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit was six days for both receipts.
- There were manual receipts that did not have a pre-printed receipt number on them. Additionally, there was no documentation, verification, or accountability as to the number of manual receipts purchased. Therefore, we were unable to verify the number of manual receipts without pre-printed numbers issued.
- The office also used manual receipts that had pre-printed numbers on them. However, the receipts had gaps in the pre-printed numbers written on them. There was no documentation, verification, or accountability as to the number of manual receipts purchased. Therefore, we were unable to verify the number of manual receipts with pre-printed numbers issued.
- Of eight pre-printed manual receipts tested, there were four instances in which the manual receipt number was not entered into the computer system when the corresponding computer receipt was generated.

As a consequence of the third and fourth bullets above, a population of manual receipts could not be determined. These inadequate internal accounting controls limited the scope of our examination and resulted in a qualified opinion.

A good system of internal controls ensures 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.
- All monies collected are deposited intact at the bank on the same day as collected.

CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007

Finding - Inadequate Internal Controls Over Receipts (Continued)

- Manual receipts should be pre-numbered, accounted for, and maintained. All required information from the manual receipt should be recorded on a manual receipts log sheet.
- Only official Common Pleas Case Management System (CPCMS) manual receipts and log, that are available through the computer system, are used.
- Manual receipt numbers are entered in the manual receipt number field on the computer when the corresponding computer receipts are generated.

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

These conditions existed because the office failed to establish adequate internal controls over its receipts.

The conditions relating to bank deposit slips not validated by the bank and the use of hand written manual receipt numbers were cited in the last audit period, the most recent ending July 31, 2005.

Recommendation

We again recommend that the office establish and implement an adequate system of internal controls over 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
NORTHAMPTON COUNTY
COMMENT
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007

Comment - Compliance With Prior Audit Recommendations

During our prior audit, we recommended:

- That the office implement procedures to provide for a greater segregation of duties within the office.
- That the office implement an adequate system of internal controls over bank accounts and over the undisbursed funds in the general account.
- That the office review appropriate laws and ensure that costs and fees are assessed as mandated by law.

During our current examination, we noted that the office complied with our recommendations.



CLERK OF THE COURT OF COMMON PLEAS
NORTHAMPTON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
AUGUST 1, 2005 TO FEBRUARY 28, 2007

This report was initially distributed to:

The Honorable Daniel P. Meuser
Secretary
Pennsylvania Department of Revenue

The Honorable Zygmunt Pines
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 Leigh Ann Fisher	Clerk of the Court of Common Pleas
The Honorable Stephen J. Barron, Jr.	Controller
The Honorable John Stoffa	Northampton County Executive

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at www.auditorgen.state.pa.us.