

COMPLIANCE AUDIT

Prothonotary
Carbon County, Pennsylvania
For the Period
January 1, 2020 to December 31, 2023

December 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Prothonotary, Carbon County, Pennsylvania (County Officer), for the period January 1, 2020 to December 31, 2023, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d).

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 Officer's 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 Officer is 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 Officer is 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, 2020 to December 31, 2023, the County Officer, 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 Internal Controls Over Manual Receipts.

This report includes a summary of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summary). We obtained data representing the County Officer's receipts and disbursements from the Pennsylvania Department of Revenue and Administrative Office of the Pennsylvania Courts, which obtains data from each of the Commonwealth's prothonotary 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 Officer's 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 County Officer's management. We appreciate the courtesy extended to us by the Carbon County Prothonotary 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 horizontal line above the first name.

Timothy L. DeFoor
Auditor General
October 15, 2024

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PROTHONOTARY
CARBON COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

The Department of Auditor General is mandated by Article IV, Section 401(b) and (d) 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.

Receipts consist of monies 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 of \$.50 or \$.25 imposed on taxable instruments filed with the Prothonotary.
- Divorce Complaint Surcharges of \$10 imposed on all divorce decrees.
- Judicial Computer System/Access To Justice Fees of \$40.25 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.
- Protection From Abuse Surcharges of \$100 imposed against defendants when a protection order is granted as a result of a hearing. Protection From Abuse Contempt 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 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 statement of receipts and disbursements only reflects the portion collected on behalf of the AOPC.

PROTHONOTARY
CARBON COUNTY
BACKGROUND
FOR THE PERIOD
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Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$ 177,326
Administrative Office of Pennsylvania Courts	<u>2,813</u>
Total	<u><u>\$ 180,139</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 receipts disbursed directly to the Administrative Office of Pennsylvania Courts.

Kayla M. Semmel served as Prothonotary during the period January 1, 2020 to December 31, 2023.

The summary of receipts and disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of taxes, surcharges, fines, and fees 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 \$30 audit adjustment represents a prior audit period balance due the county. The office took the credit in January 2021.

PROTHONOTARY
CARBON COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Writ Taxes	\$	5,563
Divorce Complaint Surcharges		6,580
Judicial Computer System/Access To Justice Fees		159,540
Protection From Abuse Surcharges and Contempt Fines		5,800
Criminal Charge Information System Fees		<u>2,806</u>
Total Receipts		180,289
Commissions		<u>(167)</u>
Net Receipts		180,122
Disbursements to Commonwealth		<u>(180,139)</u>
Balance due Commonwealth (County) per settled reports		(17)
Audit adjustments		<u>(30)</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	\$	<u><u>(47)</u></u>

PROTHONOTARY
CARBON COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding - Inadequate Internal Controls Over Manual Receipts

The office does not maintain a record of manual (handwritten or typed) receipts or a manual receipts log. Manual pre-numbered receipts are to be issued in the event of a temporary power loss or shut-down to the office's case-management system. According to office staff, when the system was down, the office generated typed manual receipts which were not retained after the information was eventually data entered into the case-management system.

Good internal accounting controls ensure that:

- Manual receipts (handwritten or typed) are pre-numbered, accounted for based on a sequence of numbers and maintained as supporting documentation.
- A manual receipts 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, payment method and corresponding case-management receipt number. This will provide an audit trail for the issuance of the manual receipt to the corresponding receipt number in the case-management system.

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 and implement an adequate system of internal controls over its typed manual receipts. Office staff stated that they were not issuing manual receipts prior to transitioning to a new computer system and that the county IT department instructed the office to issue manual receipts during this process.

Recommendation

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

PROTHONOTARY
CARBON COUNTY
FINDING AND RECOMMENDATION
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Finding - Inadequate Internal Controls Over Manual Receipts (Continued)

Management's Response

The County Officer responded as follows:

During the audit period, the courts were transitioning from one case management system to the current case management system. During the "Go Live" period of 8 hours, the office was instructed by the case management system Project Management Team to hand write receipts and input them into the system once the system was live. There was not a procedure in place to keep the paper copies of the receipts, since this was never an issue, all receipts were electronically reported. New procedures have since been established in the office.

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.

PROTHONOTARY
CARBON COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable Andrea Tuominen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Kayla M. Semmel
Prothonotary

The Honorable Kayla Herman
Controller

The Honorable Mike Sofranko
Chairperson of the Board of Commissioners

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.