

# COMPLIANCE AUDIT

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

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October 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, Lancaster 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.

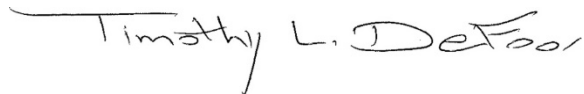
Based on our audit procedures, we conclude that, for the period January 1, 2020 to December 31, 2023, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly 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 - Recurring.

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 Lancaster 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  
September 10, 2024

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PROTHONOTARY  
LANCASTER 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.

Total disbursements are comprised as follows:

Prothonotary checks issued to:

Department of Revenue	\$	710,596
Adminstrative Office of Pennsylvania Courts		12,265
 Total	 \$	 <u><u>722,861</u></u>

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

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.

Andrew E. Spade 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.

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

Receipts:

Writ Taxes	\$ 12,326
Divorce Complaint Surcharges	40,853
Judicial Computer System/Access To Justice Fees	653,001
Protection From Abuse Surcharges and Contempt Fines	4,786
Criminal Charge Information System Fees	<u>12,265</u>
Total Receipts	723,231
Commissions	<u>(370)</u>
Net Receipts	722,861
Disbursements to Commonwealth	<u>(722,861)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ -</u></u>

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

**Finding - Inadequate Internal Controls Over Manual Receipts - Recurring**

We cited the issue of lack of internal controls over manual receipts in the prior three audit reports, with the most recent being for the period January 1, 2016 to December 31, 2019. During the current audit, there were 104 manual receipts and corresponding receipt books that could not be located and were unavailable for audit.

Manual receipts are available to be issued in the event of a temporary power loss to the office's computer system. When the computer system is operating again, the manual receipt should be recorded as an official computer-generated receipt and included in the daily receipts.

Good internal accounting controls require that manual receipts and the corresponding receipt books are accounted for and maintained.

This condition existed because the office failed to establish and implement an adequate system of internal controls over manual receipts. Office staff stated that they stopped using manual receipts April 28, 2021. In addition, they stated that during the Covid-19 pandemic, the manual receipts may have been moved to archives or lost and/or destroyed during renovations to the office.

Without a good system of internal controls over funds received by the office, 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 manual receipts by ensuring that any manual receipts subsequently located or additional manual receipts obtained are properly accounted for and maintained.

**Management's Response**

The County Officer responded as follows:

Manual receipts were a process inherited by this office from the prior office holder. I became aware of the Auditor General's concerns over the internal controls over the manual receipting process at the exit conference held on April 28, 2021. This office immediately discontinued the use of manual receipts and changed the policy to comply with the Auditor General's recommendations. The receipts in question pre-date that change in policy. This office will not employ the use of manual receipts in following the recommendations presented by the Auditor General which we were made aware of in April 2021.



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

**Finding - Inadequate Internal Controls Over Manual Receipts - Recurring (Continued)**

Auditor's Conclusion

As noted in the prior audit report, the Department of the Auditor General cannot advise nor instruct an officeholder on whether or not to use manual receipts. However, our audit includes determining whether the office's internal control over manual receipts are properly designed and implemented, which includes accounting for all issued and unissued manual receipts. Because the office issued manual receipts during the audit period, did not account for them, and did not maintain any unused manual receipts, the office's internal controls over manual receipts were inadequate. During the next audit, we will determine if the office complied with our recommendation.

PROTHONOTARY  
LANCASTER COUNTY  
SUMMARY OF PRIOR AUDIT RECOMMENDATION  
FOR THE PERIOD  
JANUARY 1, 2020 TO DECEMBER 31, 2023

Summary Of Prior Audit Recommendation

During our prior audit, we recommended that the office:

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

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

PROTHONOTARY  
LANCASTER 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 Andrew E. Spade**  
Prothonotary

**The Honorable Lisa Colon**  
Controller

**The Honorable Joshua G. Parsons**  
Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).