

**County Controller**

Richard J. Szulborski

**Audit Manager**

Paul L. Albert, CIA

**Solicitor**

Michael P. Shay, Esq.

**County Executive**

Lamont G. McClure, Jr.

**County Council**

Ronald R. Heckman, President  
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Robert F. Werner  
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Financial Audit Report

**NORTHAMPTON  
COUNTY OFFENDER  
SUPERVISION FEE  
PROGRAM**

Fiscal Year Ended June 30, 2018

**Office of the Controller  
County of Northampton  
Pennsylvania**

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Offender Supervision Fee Program  
For the Fiscal Year Ended June 30, 2018

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1 - 2
Statement of Revenues and Expenditures For the Fiscal Year Ended June 30, 2018	3
Notes to Financial Statement	4 - 5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	6 - 7
Schedule of Audit Findings and Recommendations	8



**RICHARD J. SZULBORSKI**

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**Independent Auditor's Report**

Members of the Northampton County Council  
Lamont G. McClure Jr., County Executive  
Honorable Michael J. Koury, President Judge  
County of Northampton, Pennsylvania

**Report on the Financial Statements**

We have audited the accompanying Statement of Revenues and Expenditures of the Offender Supervision Fee Program of the Adult Probation Division of the County of Northampton, Pennsylvania, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the Offender Supervision Fee Program for the fiscal year ended June 30, 2018 in accordance with accounting principles generally accepted in the United States of America. However, we noted control deficiencies or other management issues that are described in the accompanying Schedule of Audit Findings and Recommendations on page 8.

**Emphasis of Matter**

As discussed in Note 1, the accompanying financial statements are intended to present only the financial activity of the Offender Supervisor Fee Program in the Adult Probation Division and are not intended to present fairly the financial position and results of operations of the County of Northampton, Pennsylvania. They do not purport to, and do not, present fairly the financial position and results of operations of the County of Northampton, Pennsylvania, as of June 30, 2018, in accordance with accounting principles generally accepted in the United States of America. Our tests did not include an examination of the State computer system/software. Our opinion is not modified with respect to these matters.

**Restriction on Use**

This report is intended solely for the information and use of the management of the County of Northampton, Pennsylvania, the Court of Common Pleas, and the Pennsylvania Board of Probation and Parole and is not intended to be and should not be used by anyone other than these specified parties.

**Other Reporting Required by Government Auditing Standards**

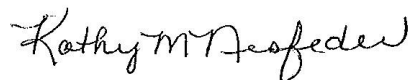
As described in Note 2, the accompanying financial statement was prepared for the purpose of complying with Chapter 68 of the PA Code which relates to the County Offender Supervision Fee Program.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2019 on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters for the Adult Probation Division and Criminal Division. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance for the Adult Probation Division and the Criminal Division.

Very truly yours,



Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CFE, CRMA  
Auditor II

October 23, 2019

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
 Offender Supervision Fee Program  
 Statement of Revenues and Expenditures  
 For the Fiscal Year Ended June 30, 2018

Balance, July 1, 2017	\$	-0-
<b>Collections:</b>		
Amount Retained by County (Note 3)	316,785	
Amount Reimbursed by Commonwealth (Note 4)	<u>307,619</u>	
Total Collections		<u>624,404</u>
Total Available		624,404
<b>Expenditures:</b>		
Adult Probation: Salaries, Benefits and Operating Expenses	<u>624,404</u>	
Total Expenditures		<u>624,404</u>
Balance, June 30, 2018	\$	<u><u>-0-</u></u>

The accompanying notes are an integral part of the financial statement.

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Offender Supervision Fee Program  
Notes to Financial Statement  
For the Fiscal Year Ended June 30, 2018

NOTE 1: Summary of Significant Accounting Policies

Basis of Accounting

The County of Northampton, Pennsylvania uses the modified accrual basis of accounting for its General Fund. Under a modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liabilities are incurred.

Basis of Presentation-Fund Accounting

The accounts of the County of Northampton, Pennsylvania are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

Financial Reporting Entity

Adult Probation represents one of many divisions accounted for by the County of Northampton, Pennsylvania in its General Fund. Their revenues and expenditures are accounted for within the fund through the use of specifically assigned cost centers.

NOTE 2: Administration of Program

Chapter 68 of the PA Code relates to the County Offender Supervision Fee Program (Program). Chapter 68.1 defines the Scope of the Program as:

- 1) Offenders placed on probation, parole, accelerated rehabilitative disposition, probation without verdict or intermediate punishment under the jurisdiction of a county within this Commonwealth.
- 2) Counties having jurisdiction over offenders.

Imposition of Condition

Chapter 68.21 states that "The sentencing judge of the court of common pleas shall impose upon an offender, as a condition of supervision, a monthly supervision fee unless the court of a supervising agency designated by the court determines that it should be reduced, waived or deferred" based upon criteria specified in the regulations.

Program Implementation

Chapter 68.22 states "The president judge of the court of common pleas shall appoint an appropriate person to implement the Program. The designated official shall develop policies and procedures which clearly communicate the importance of fee collection and monitoring of payments to managers, supervisors and probation officers." The County's Chief Adult Probation Officer was designated to run the Program in Northampton County.

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Offender Supervision Fee Program  
Notes to Financial Statement  
For the Fiscal Year Ended June 30, 2018

Collecting Entity

Chapter 68.51 explains "The president judge of the court of common pleas and the board of county commissioners/county executive shall designate an appropriate county agency to be responsible for collection of supervision fees. The collecting agency shall deposit, at least monthly, 50% of the fees collected into the County Offender Supervision Fund. The remaining 50% shall be deposited with the county clerk of courts for transmittal to the Board through the Department of Revenue." The County's Criminal Division was designated to collect supervision fees and disburse them to the appropriate parties on a monthly basis.

Audit Requirement

Chapter 68.54 of the PA Code states that "Independent audits shall be conducted, by or on behalf of, county or state officials at least annually to determine the county's compliance to statutes, court orders, policies and procedures."

NOTE 3: Amount Retained by County

This amount represents the monthly portion of supervision fees that were retained by the County and credited as revenue to the Adult Probation Division.

NOTE 4: Amount Reimbursed by Commonwealth

This amount represents funds that were returned to the County from the Commonwealth in two six-month payments during the period under audit. These funds were collected in the Criminal Division from May 2017 to April 2018, and then sent to the State monthly.



**RICHARD J. SZULBORSKI**

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**Report on Internal Control over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

**Independent Auditor's Report**

Members of the Northampton County Council  
Lamont G. McClure Jr., County Executive  
Honorable Michael J. Koury, President Judge  
County of Northampton, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Revenues and Expenditures of the Offender Supervision Fee Program of the Adult Probation Division of the County of Northampton, Pennsylvania, as of and for the fiscal year ended June 30, 2018 and the related notes to the financial statements, and have issued our report thereon dated October 23, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Adult Probation Division's and Criminal Division's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Adult Probation Division's and Criminal Division's internal control. Accordingly, we do not express an opinion on the effectiveness of their internal control.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any



deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Adult Probation Division's Offender Supervision Fee Program's financial statements are free of material misstatement, we performed tests of its 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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, 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*.

We noted certain matters that we reported to management of the Criminal Division in the accompanying Schedule of Audit Findings and Recommendations on page 8.

### **Criminal Division's Response to Findings**

The Criminal Division's response to the findings identified in our audit is described in the accompanying schedule of audit findings and recommendations. The Criminal Division's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.


### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Richard J. Szulborski  
County of Northampton Controller  
Easton, Pennsylvania



Kathy M. Nesfeder, CFE, CRMA  
Auditor II

October 23, 2019

COUNTY OF NORTHAMPTON, PENNSYLVANIA  
Offender Supervision Fee Program  
Schedule of Audit Findings and Recommendations  
For the Fiscal Year Ended June 30, 2018

**A. Entering Offender Supervision Fees into CPCMS**

OBSERVATION

The Adult Probation Division sends a copy of the Petition for Parole with the assessed supervision fee amounts to the Criminal Division. The Criminal Division is responsible for entering the fees into the Common Pleas Case Management System (CPCMS). Once they are entered, the Petition for Parole form is stamped "Filed" with a date and time stamp, and "Clerk of Common Pleas, Criminal Division, Northampton County." The form is returned to the Adult Probation Division as evidence that the Criminal Division received the form and that the fees were entered in CPCMS.

We tested 12 cases and found one case with supervision fees in the amount of \$510 that was not entered in CPCMS. Total costs, fines and restitution of \$8,756 associated with that case were not entered into CPCMS until we brought it to the Criminal Division's attention.

RECOMMENDATION

We recommend that a sample of completed Petition for Parole forms be reviewed prior to returning them to the Adult Probation Division to ensure all fees have been entered into CPCMS.

MANAGEMENT RESPONSE – Leigh Ann Fisher, Clerk of Court Criminal

Management will randomly review 10-15 Petition for Parole forms monthly to be sure that the fees are entered into CPCMS correctly. This one case appears to have been an oversight when training a new employee.