

**Office of Adult Probation
Supervision Fee Fund Audit
County of Berks, Pennsylvania**

For the Period of November 1, 2017 to June 30, 2018



COUNTY OF BERKS
OFFICE OF THE CONTROLLER
SANDRA M. GRAFFIUS, CONTROLLER

REPORT 20-09

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Office of the Controller



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Internal Auditor's Report

Mr. Robert N. Williams
Chief Probation and Parole Officer
Berks County Probation and Parole Department
633 Court Street, 10th Floor Services Center
Reading, PA 19601

Report on the Financial Statement

We have audited the accompanying Supervision Fee Fund for the Office of Adult Probation, which comprise the statement of receipts, disbursements and changes in cash balance – cash basis for the period of November 1, 2017 to June 30, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatements, whether due to fraud or error.

Internal Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

Opinion

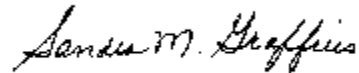
In our opinion, the financial statement referred to above presents fairly, in all material respects, its cash receipts, disbursements and cash balance for the period November 1, 2017 to June 30, 2018 in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, Internal Audit has also issued a separate report dated August 10, 2020 on our evaluation of the Supervision Fee Fund for the Office of Adult Probation's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, policies and/or procedures. That report is an integral part of the audit performed in accordance with Government Auditing Standards and is to be read in conjunction with this report in considering the results of the audit.



Sandra M. Graffius, Controller
August 10, 2020

Office of Adult Probation
Supervision Fee Fund
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Period of November 1, 2017 to June 30, 2018

Receipts

Clerk of Courts - Fees	\$ 560,470
Grant Monies	348,114
Cognitive Behavioral Therapist - Fees	-
Interest Income	7,601
Total Receipts	916,185

Disbursements

Supervision Fee Expenses	744,846
Operating Expenses	107,793
Total Disbursements	852,639

Cash receipts in excess of disbursements	63,546
Cash account balance as of November 1, 2017	2,175,433
Cash account balance as of June 30, 2018	<u><u>\$ 2,238,979</u></u>

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

**Office of Adult Probation
Supervision Fee Fund
County of Berks, Pennsylvania
Notes to Financial Statement
For the Period of November 1, 2017 to June 30, 2018**

Note 1: Nature of the office and significant accounting policies

Nature of the office:

The Berks County Adult Probation and Parole Office is an arm of the Criminal Court of the 23rd Judicial District of Pennsylvania. It is tasked with the supervision of adult offenders who are either sentenced to periods of probation or paroled from the Berks County Jail Service.

Reporting entity:

The financial statement of the Supervision Fee Fund of the Office of Adult Probation consists of receipts from the collection of fees from offenders who participate in probation officer facilitated cognitive behavioral classes. The department also receives offender supervision fees collected by the Clerk of Courts. The Clerk of Courts remits one half of the collected fees to the Board of Probation and Parole. The Board of Probation and Parole subsequently returns those fees to the County of Berks Probation and Parole department by a wire transfer.

All expenditures from the Supervision Fee Fund of the Office of Adult Probation must be approved by the Chief Probation and Parole Officer, Court Administrator and the President Judge. The expenditures are used solely to pay the salaries and employee benefits of adult probation personnel employed by the County of Berks Probation and Parole Department and the operational expenses of that department. Money from this fund shall be used to supplement Federal, State or County appropriations for the County of Berks Probation and Parole department as specified in the State Statutes for the improvement of adult probation services.

Basis of accounting:

The books and records of the Supervision Fee Fund of the Office of Adult Probation are maintained on the cash basis of accounting. Consequently, receipts are recognized when received rather than when assessed or otherwise due and disbursements are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements do not present the assets, liabilities, receipts, disbursements, and cash balances in accordance with generally accepted accounting principles.

Office of Adult Probation
Supervision Fee Fund
County of Berks, Pennsylvania
Notes to Financial Statement - Continued
For the Period of November 1, 2017 to June 30, 2018

Note 2: Cash and equivalents

The following cash account is in the name of the Office of Adult Probation, County of Berks, and is not reflected in the County of Berks financial statements:

Bank	Account Type	Bank Balance	Carrying Value
BB&T	Checking	\$2,238,979	\$2,238,979

The account holds funds received by the Office of Adult Probation primarily in a trust and agency capacity and use of these funds by the Office of Adult Probation is restricted.

Note 3: Legal Matters

Our audit disclosed no pending litigation involving the Office of Adult Probation or Robert N. Williams, Chief Probation and Parole Officer, that would affect the financial statements for the period of November 1, 2017 to June 30, 2018.

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Internal Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Mr. Robert N. Williams
Chief Probation and Parole Officer
Berks County Probation and Parole Department
633 Court Street, 10th Floor Services Center
Reading, PA 19601

In planning and performing our audit of the Supervision Fee Fund of the Office of Adult Probation as of and for the period of November 1, 2017 to June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Office of Adult Probation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Office of Adult Probation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office of Adult Probation's internal control.

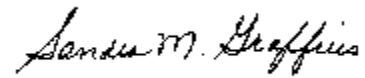
A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. 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.

As part of obtaining reasonable assurance about whether the Supervision Fee Fund of the Office of Adult Probation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect in 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.

This report is intended for the information and use of the County of Berks Board of Commissioners and Office of Adult Probation's management. This report is, however, a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Sandra M. Graffius". The signature is written in a cursive style with a large initial 'S'.

Sandra M. Graffius, Controller
August 10, 2020