

# COMPLIANCE AUDIT

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## Register of Wills/ Clerk of Orphans' Court Delaware County, Pennsylvania For the Period January 1, 2019 to December 31, 2022

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July 2024



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, PA 17120-0018  
Facebook: Pennsylvania Auditor General  
Twitter: @PAAuditorGen  
www.PaAuditor.gov**

**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 Register of Wills/Clerk of Orphans' Court, Delaware County, Pennsylvania (County Officer), for the period January 1, 2019 to December 31, 2022, 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 accounts. 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, 2019 to December 31, 2022, 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 Accountability Over Funds Held In Escrow.

This report includes summaries of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the County Officer's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's register of wills and clerk of orphans' court 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 summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

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 Delaware County Register of Wills/Clerk of Orphans' Court 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 long horizontal line extending to the left of the first letter.

Timothy L. DeFoor  
Auditor General  
June 26, 2024

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REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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.

Register of Wills receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes and fees:

- Inheritance Taxes taxes filed with the Register of Wills.
- Judicial Computer System/Access To Justice Fees of \$40.25 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.
- For the purpose of reporting the collection of Judicial Computer System/Access To Justice Fees to the Department of Revenue, the office combined the Register of Wills and Clerk of Orphans' Court collections and reported them on the Clerk of Orphans' Court's monthly report. Therefore, the amount reported on the Clerk of Orphans' Court's statement of receipts and disbursements includes the fees collected for the office of the Register of Wills.

Clerk Of Orphans' Court receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes, surcharges, and fees:

- Marriage License Tax of \$.50 on all marriage licenses filed with the Clerk of Orphans' Court.
- Marriage License Application Surcharge of \$10 imposed on all marriage license applications.
- The Marriage License Declaration Fees of \$13 imposed for the issuance of a marriage license or declaration of which the Commonwealth's portion is \$10.
- Judicial Computer System/Access To Justice Fees of \$40.25 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

Total disbursements for the audit period are comprised as follows:

Register Of Wills

Inheritance Taxes

Deposits into the Department of Revenue's cash management account	\$ 321,053,418
Credits issued by the Department of Revenue	<u>143,350</u>
Total	<u>\$ 321,196,768</u>

The Register of Wills participates in the Department of Revenue's cash management system for Inheritance Taxes. Under this system, the "Agent" deposits Inheritance Tax collections to a local account approved and established in the name of the Department of Revenue, thereby eliminating the need for the agent to issue a check to disburse these taxes. This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue. The balance does not reflect adjustments disclosed by our audit.

Clerk Of Orphans' Court

Clerk of Orphans' Court checks issued to:

Department of Revenue	<u>\$ 695,983</u>
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This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

Mary J. Walk, Esq. served as Register of Wills/Clerk of Orphans' Court during the period January 1, 2019 to February 29, 2020.

Rachel Ezzell Berry, Esq. served as Register of Wills/Clerk of Orphans' Court during the period March 1, 2020 to December 31, 2022.

The summaries of receipts and disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of taxes, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
BACKGROUND  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

The summaries were 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 - Register of Wills Summary

The \$32,000 audit adjustment represents a non-sufficient funds (NSF) check that was received in April 2022. The Department of Revenue did not adjust the monthly report to reflect this check.

REGISTER OF WILLS  
DELAWARE COUNTY  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

Receipts:

Inheritance Taxes	\$ 321,164,768
Disbursements and credits to Commonwealth	<u>(321,196,768)</u>
Balance due Commonwealth (County) per settled reports	(32,000)
Audit adjustments	<u>32,000</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2019 to December 31, 2022	<u><u>\$ -</u></u>



CLERK OF ORPHANS' COURT  
 DELAWARE COUNTY  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 JANUARY 1, 2019 TO DECEMBER 31, 2022

Receipts:

Marriage License Taxes	\$	4,884
Marriage License Application Surcharges		97,680
Marriage License Declaration Fees		97,680
Judicial Computer System/Access To Justice Fees		<u>495,739</u>
Total Receipts		695,983
Disbursements to Commonwealth		<u>(695,983)</u>
Balance due Commonwealth (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2019 to December 31, 2022	\$	<u><u>-</u></u>

REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**Finding - Inadequate Accountability Over Funds Held In Escrow**

Our audit disclosed that there was inadequate accountability over funds held in escrow. As of December 31, 2022, funds on hand exceeded recorded obligations in the bank account by \$965,714.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

The office holder stated that they have discussed this issue with the county controller's office on how to approach the large balance in the office's bank account. They are working on a solution.

Without a good system of internal controls over funds held in escrow, the possibility of funds being lost or misappropriated increases significantly.

**Recommendations**

We recommend that the office attempt to identify all existing liabilities associated with the office bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
FINDING AND RECOMMENDATIONS  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

**Finding - Inadequate Accountability Over Funds Held In Escrow (Continued)**

Management's Response

The County Officer responded as follows:

After being officially sworn into office on January 26<sup>th</sup>, 2024, and considering the devastating effects of the global COVID-19 pandemic on the previous few years' operations, the new Register and management team have undertaken a complete review of all accounts, internal controls, processes, and procedures. This ongoing effort has identified the concerns expressed here by the Auditor, and comprehensive corrective action is already underway. Since the finding, we have met internally with both the Controller and Treasurer's offices. We have also engaged an independent business process consultant to ensure immediate implementation of thorough written policies, procedures, and internal controls. A post pandemic reconciliation is scheduled for completion in the coming weeks, and we are confident that the new procedures and controls will result in all liabilities listed being equal to the adjusted end of month balance and disbursed to the appropriate agencies in a timely manner going forward.

Auditor's Conclusion

We appreciate the current officeholder's effort to correct the issue. During our next audit, we will determine if the office complied with our recommendations.

REGISTER OF WILLS/  
CLERK OF ORPHANS' COURT  
DELAWARE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
JANUARY 1, 2019 TO DECEMBER 31, 2022

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 Vincent A. Rongione, Esq.**  
Register of Wills/Clerk of Orphans' Court

**The Honorable Joanne Phillips**  
Controller

**The Honorable Dr. Monica Taylor**  
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).