ATTESTATION ENGAGEMENT

Register of Wills/ Clerk of Orphans' Court

Cambria County, Pennsylvania

For the Period

January 1, 2011 to December 31, 2014

February 2016

Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DEPASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Eileen H. McNulty
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statements of receipts and disbursements (Statements) of the Register of Wills/Clerk of Orphans' Court, Cambria County, Pennsylvania (County Officer), for the period January 1, 2011 to December 31, 2014, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d). The county office's management is responsible for these Statements. Our responsibility is to express an opinion on these Statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Sections 401(b) and 401(d) of *The Fiscal Code* 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. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Sections 401(b) and 401(d) of *The Fiscal Code*.

In our opinion, the Statements referred to above present, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Commonwealth for the period January 1, 2011 to December 31, 2014, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statements; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements that might be material weaknesses or significant deficiencies. Given these limitations, during our engagement 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 Statements are free from material misstatement, we performed tests of the County Officer's 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 Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, 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 solely for the information and use of the Pennsylvania Department of Revenue, the Administrative Office of Pennsylvania Courts, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the courtesy extended by the Register of Wills/Clerk of Orphans' Court, Cambria County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.

January 6, 2016

Eugene A. DePasquale
Auditor General

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REGISTER OF WILLS
CAMBRIA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2011 TO DECEMBER 31, 2014

Receipts:	
Inheritance Taxes	$ 25,793,802
Miscellaneous Fees	29
Judicial Computer System/Access To Justice Fees	-
Total Receipts (Note 2)	25,793,831
Disbursements and credits to Commonwealth (Note 4)	(25,798,988)
Balance due Commonwealth (County) per settled reports (Note 5)	(5,157)
Examination adjustments (Note 6)	5,147
Adjusted balance due Commonwealth (County) for the period January 1, 2011 to December 31, 2014	$ (10)

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

CLERK OF ORPHANS COURT
CAMBRIA COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2011 TO DECEMBER 31, 2014

Receipts:		
Marriage License Taxes	$	1,434
Marriage License Application Surcharges		28,670
Marriage License Declaration Fees		28,670
Judicial Computer System/Access To Justice Fees		76,156
Total Receipts (Note 2)		134,930
Disbursements to Commonwealth (Note 4)		(134,916)
Balance due Commonwealth (County) per settled reports (Note 5)		14
Examination adjustments (Note 6)		(14)
Adjusted balance due Commonwealth (County) for the period January 1, 2011 to December 31, 2014	$	-

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
CAMBRIA COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2011 TO DECEMBER 31, 2014

1. Criteria

The Statements 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.

The Statements 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.

2. Receipts

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 represent inheritance taxes filed with the Register of Wills.

- Miscellaneous Fees represent collections for liens and citation filing fees.

- Judicial Computer System/Access To Justice Fees represent a $10 fee imposed for the initiation of any civil action or legal proceeding, including the filing of petitions for grants of letters, and first filing in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. These fees were increased to $23.50 for the period December 8, 2009 to August 7, 2014 and to $35.50 for the period August 8, 2014 to December 31, 2014.

  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.

2. Receipts (Continued)

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:

- The Marriage License Tax is a $.50 tax on all marriage licenses filed with the Clerk of Orphans' Court.

- The Marriage License Application Surcharge is a $10 surcharge imposed on all marriage license applications.

- The Marriage License Declaration Fees is a $13 fee imposed for the issuance of a marriage license or declaration and for returns thereof to the Department of Health, $2.50 of which shall be for the use of the county where the license is issued, and $.50 for the use of the Commonwealth (Marriage License Tax), plus $10 (Marriage License/Declaration Fees). The statement of receipts and disbursements only reflects the portion collected on behalf of the Commonwealth.

- Judicial Computer System/Access To Justice Fees represent a $10 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. These fees were increased to $23.50 for the period December 8, 2009 to August 7, 2014 and to $35.50 for the period August 8, 2014 to December 31, 2014.

3. Commissions

Acting in the capacity of an agent for the Commonwealth, the county office is paid a commission for collection of Inheritance Taxes. Effective January 1, 1988, the commission rate is 4.25 percent of $1.00 to $200,000.00 collected; 1.75 percent of $200,000.01 to $1,000,000.00 collected; and .5 percent of all collections in excess of $1,000,000.00. During the period under review, the County was paid $198,969.00 by the Department of Revenue which is not reflected in the statement of receipts and disbursements.

4. Disbursements

Register Of Wills

Inheritance Taxes

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.

Total disbursements are comprised as follows:

Deposits into the Department of Revenue's cash management account	$ 25,793,147
Credits issued by the Department of Revenue	5,841
Total	$ 25,798,988

Clerk Of Orphans' Court

Total disbursements are comprised as follows:

Clerk of Orphans' Court checks issued to:

Department of Revenue	$ 134,916

5. Balance Due Commonwealth (County) For The Period January 1, 2011 To December 31, 2014

This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

6. Examination Adjustments

Inheritance Tax:

During our prior audit, January 1, 2007 to December 31, 2010, we determined that there was a balance due to the Commonwealth of $5,147.00. This balance was paid to the Department of Revenue in April 2011.

Orphans Court:

During our prior audit, January 1, 2007 to December 31, 2010, we determined that there was a balance due to the County of $14.00. This credit was taken by the County in September 2012.

7. County Officer Serving During Examination Period

Patricia Sharbaugh served as Register of Wills/Clerk of Orphans' Court during the period January 1, 2011 to December 31, 2014.

REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
CAMBRIA COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2011 TO DECEMBER 31, 2014

Summary of Prior Examination Recommendation

During our prior examination, we recommended:

- That the office provide greater segregation of duties within the office.

During our current examination, we noted that the office complied with our recommendation.

REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
CAMBRIA COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2011 TO DECEMBER 31, 2014

This report was initially distributed to:

The Honorable Eileen H. McNulty
Secretary
Pennsylvania Department of Revenue

The Honorable Thomas B. Darr
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Patricia Sharbaugh	Register of Wills/Clerk of Orphans' Court
The Honorable Douglas R. Lengenfelder	Chairperson of the Board of Commissioners
The Honorable Ed Cernic	Controller

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.