

COMPLIANCE AUDIT

Recorder of Deeds/ Register of Wills Columbia County, Pennsylvania For the Period January 1, 2015 to December 31, 2019

June 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Recorder of Deeds/Register of Wills, Columbia County, Pennsylvania (County Officer), for the period January 1, 2015 to December 31, 2019, 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.

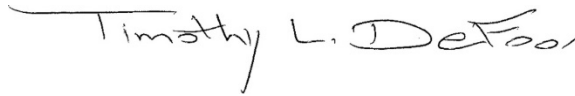
The County Officer is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, 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, 2015 to December 31, 2019, 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.

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 recorder of deeds, and register of wills offices, and used the data to create the summaries 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 management of the County Officer. We appreciate the courtesy extended by the Recorder of Deeds/Register of Wills, Columbia County, to us 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 3, 2021

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RECORDER OF DEEDS/
REGISTER OF WILLS
COLUMBIA COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

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.

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

- The Pennsylvania Realty Transfer Tax is a documentary stamp tax of 1 percent on the value of the interest in real property transferred by deed.
- Writ Taxes represent a \$.50 tax imposed on various types of documents and a \$10 tax on notary public commissions processed through the office.
- Judicial Computer System/Access To Justice Fees represent a \$35.50 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. Effective October 30, 2017, Act 40 and Act 44 increased the fee to \$40.25.

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

- Inheritance Taxes represent inheritance taxes filed with the Register of Wills.
- Judicial Computer System/Access To Justice Fees represent a \$35.50 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts. Effective October 30, 2017, Act 40 and Act 44 increased the fee to \$40.25.

RECORDER OF DEEDS/
REGISTER OF WILLS
COLUMBIA COUNTY
BACKGROUND
FOR THE PERIOD
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Total disbursements for the audit period are comprised as follows:

Recorder Of Deeds

Realty Transfer Taxes

Deposits into the Department of Revenue's cash management account	<u>\$ 9,414,769</u>
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The Recorder of Deeds participates in the Department of Revenue's cash management system for Realty Transfer Taxes. Under this system, the "Agent" deposits Realty Transfer 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.

Writ Taxes And Judicial Computer System/Access To Justice Fees

Recorder of Deeds checks issued to:

Department of Revenue	<u>\$ 1,193,101</u>
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This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

RECORDER OF DEEDS/
REGISTER OF WILLS
COLUMBIA COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

Register Of Wills

Inheritance Taxes

Deposits into the Department of Revenue's cash management account	\$ 16,218,153
Credits issued by the Department of Revenue	1,085
Checks issued to the Department of Revenue for Judicial Computer System/Access To Justice Fees	<u>44,930</u>
Total	<u><u>\$ 16,264,168</u></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.

Brenda Lupini served as Recorder of Deeds/Register of Wills during the period January 1, 2015 to December 31, 2019.

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

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.

RECORDER OF DEEDS/
REGISTER OF WILLS
COLUMBIA COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

Audit Adjustment - Recorder of Deeds - Realty Transfer Tax Summary

The \$550 adjustment represents a deposit made in September 2016 into the Realty Transfer Tax account in error. This error was corrected in October 2016.

Audit Adjustments - Register of Wills - Inheritance Tax Summary

The \$29,404 adjustment represents deposits of \$9,975, \$4,313, and \$5,141 made in May 2016, October 2017, and April 2019, respectively, into the Inheritance Tax Account in error. These errors were corrected in June 2016, November 2017, and August 2019, respectively. The remaining \$9,975 was the amount of inheritance taxes that the Department of Revenue misstated as due in June 2016.

RECORDER OF DEEDS
COLUMBIA COUNTY
REALTY TRANSFER TAXES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

Realty Transfer Taxes	\$ 9,414,219
Disbursements to Commonwealth	<u>(9,414,769)</u>
Balance due Commonwealth (County) per settled reports	(550)
Audit adjustments	<u>550</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2015 to December 31, 2019	<u><u>\$ -</u></u>

RECORDER OF DEEDS
COLUMBIA COUNTY
WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

Receipts:

Writ Taxes	\$ 22,083
Judicial Computer System/Access To Justice Fees	<u>1,171,681</u>
Total Receipts	1,193,764
Commissions	<u>(663)</u>
Net Receipts	1,193,101
Disbursements to Commonwealth	<u>(1,193,101)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2015 to December 31, 2019	<u><u>\$ -</u></u>

REGISTER OF WILLS
COLUMBIA COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

Receipts:

Inheritance Taxes	\$ 16,189,834
Judicial Computer System/Access To Justice Fees	<u>44,930</u>
Total Receipts	16,234,764
Disbursements and credits to Commonwealth	<u>(16,264,168)</u>
Balance due Commonwealth (County) per settled reports	(29,404)
Audit adjustments	<u>29,404</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2015 to December 31, 2019	<u><u>\$ -</u></u>

RECORDER OF DEEDS/
REGISTER OF WILLS
COLUMBIA COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2015 TO DECEMBER 31, 2019

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania Courts
Administrative Office of Pennsylvania Courts

The Honorable Brenda Lupini
Recorder of Deeds/Register of Wills

The Honorable Chris E. Young
Chairman of the Board of Commissioners

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.