

COMPLIANCE AUDIT

Register of Wills/ Clerk of Orphans' Court Butler County, Pennsylvania For the Period January 1, 2018 to December 31, 2021

March 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Register of Wills/Clerk of Orphans' Court, Butler County, Pennsylvania (County Officer), for the period January 1, 2018 to December 31, 2021, 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.

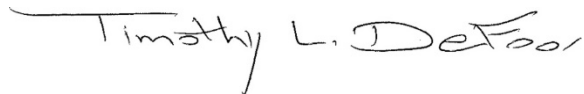
Based on our audit procedures, we conclude that, for the period January 1, 2018 to December 31, 2021, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report:

- Failure To Properly Collect Assessed Judicial Computer Project/Access To Justice (JCP/ATJ) Fees At Filing.

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 management of the County Officer and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the Register of Wills/Clerk of Orphans' Court, Butler 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
January 26, 2023

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REGISTER OF WILLS/CLERK OF ORPHANS' COURT
BUTLER COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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 filed with the Register of Wills.
- Judicial Computer System/Access To Justice Fees of \$40.25 imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

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 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
BUTLER COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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	\$ 64,394,552
Credits issued by the Department of Revenue	27,711
Checks issued to the Department of Revenue for Judicial Computer System/Access To Justice Fees	<u>105,898</u>
Total	<u>\$ 64,528,161</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.

Clerk Of Orphans' Court

Total disbursements are comprised as follows:

Clerk of Orphans' Court checks issued to:

Department of Revenue	<u>\$ 107,273</u>
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This balance reflects a summary of monthly transmittal reports as settled by the Department of Revenue.

Sarah Edwards served as Register of Wills/Clerk of Orphans' Court during the period January 1, 2018 to December 31, 2021.

REGISTER OF WILLS/CLERK OF ORPHANS' COURT
BUTLER COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

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.

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.

REGISTER OF WILLS
 BUTLER COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Inheritance Taxes	\$ 64,422,263
Judicial Computer System/Access To Justice Fees	<u>105,898</u>
Total Receipts	64,528,161
Disbursements and credits to Commonwealth	<u>(64,528,161)</u>
Balance due Commonwealth (County) per settled reports	-
Audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	<u><u>\$ -</u></u>

CLERK OF ORPHANS' COURT
 BUTLER COUNTY
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 JANUARY 1, 2018 TO DECEMBER 31, 2021

Receipts:

Marriage License Taxes	\$	1,861
Marriage License Application Surcharges		37,210
Marriage License Declaration Fees		37,210
Judicial Computer System/Access To Justice Fees		<u>30,992</u>
Total Receipts		107,273
Disbursements to Commonwealth		<u>(107,273)</u>
Balance due Commonwealth (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2018 to December 31, 2021	\$	<u><u>-</u></u>

REGISTER OF WILLS/CLERK OF ORPHANS' COURT
BUTLER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Failure To Properly Collect Assessed Judicial Computer Project/Access To Justice (JCP/ATJ) Fees At Filing

Our audit disclosed that the office did not collect the mandated Judicial Computer System/Access to Justice (JCP/ATJ) fees at the time of filing from certain individuals and agencies. Instead, beginning in 2019, the office issued invoices for filings received from the County Children and Youth Agency and Area Agency on Aging, as well as some private attorneys. The invoices were generated at the time of filing and included all fees that were assessed on the cases. However, the fees were not collected at the time of filing, and they remained as receivables for the office. Each office clerk was responsible for tracking the payment of outstanding invoices and sending second notice requests after 30 days. The office's computer accounting system could not account for these invoices. Therefore, the office could not provide us with a report of outstanding invoices. As a result, we could not determine an accurate accounting of the correct amount of fees due the Commonwealth during our audit period.

- Our testing of 31 cases that had outstanding invoices during November and December of 2021 found that there were six cases in which the (JCP/ATJ) was not properly collected when assessed. The time lapse from invoice date to receipt date for these six cases ranged from three to 63 days.

Title 42 Pa. C.S.A. § 3733 Judicial Computer System/Access To Justice Fees represent a \$40.25 fee imposed on the filing of any legal paper to initiate a civil action or proceeding.

The failure to collect this fee at the time of filing is a violation of state statute and resulted in the untimely remitting of revenue due the Commonwealth. Additionally, without a good system of internal controls over invoices, the possibility of funds being lost or misappropriated increases significantly.

This condition existed because the office was not aware or up to date on laws and regulations regarding the proper collection of Commonwealth fees.

REGISTER OF WILLS/CLERK OF ORPHANS' COURT
BUTLER COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Failure To Properly Collect Assessed Judicial Computer Project/Access To Justice (JCP/ATJ) Fees At Filing (Continued)

Recommendation

We recommend that the office review the laws noted above to ensure that Judicial Computer System/Access to Justice (JCS/ATJ) Fees are collected as mandated by law.

Management's Response

The County Officer responded as follows:

Office Management has reviewed 42 Pa. C.S.A 3733 and has instituted changes to ensure compliance with said statute, including, but not limited to, creating a monthly report that tracks any and all outstanding invoices, and collecting/receipting amounts assessed at the time of initiation/filing as predicated by 42 Pa. C.S.A 3733. Additionally, the Butler County Register of Wills/Clerk of Orphans' Court Office no longer issues invoices to private attorneys (effective January 1, 2023), and is in the process of working with the Children and Youth Agency and Area Agency on Aging to create draw down escrow accounts so that invoicing said Agencies can cease.

Auditor's Conclusion

We appreciate the officeholder's efforts to correct this issue. During our next audit, we will determine if the office complied with our recommendation.

REGISTER OF WILLS/CLERK OF ORPHANS' COURT
BUTLER COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

Pat Browne
Acting Secretary
Pennsylvania Department of Revenue

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

The Honorable Sarah Edwards
Register of Wills/Clerk of Orphans' Court

The Honorable Benjamin A. Holland
Controller

The Honorable Leslie A. Osche
Chairperson 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.