



GLENN ECKHART  
COUNTY CONTROLLER

COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
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JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** Glenn Eckhart, County Controller G.E.  
**DATE:** April 22, 2016  
**RE:** Audit of Clerk of Orphans' Court Division

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We have completed our financial audit of Clerk of Orphans' Court Division for the years ended December 31, 2014 and 2015. Our audit report number 16-14 is attached.

The results of our current audit are:

- The County of Lehigh received the proper amounts from the Clerk of Orphans' Court Division.
- Computer Software (Odyssey) has internal control deficiencies:
  - 1) While the unpaid invoices can be cleared manually, the system does not automatically mark an invoice as "paid". See Attachment "B".
  - 2) The Lehigh County IT department sends a report containing the credit card transaction fees to the Orphans' clerk each month for reconciliation, as the amounts are not stored in Odyssey.

Attachment

AUDITS/ORPHANS COURT

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Financial Audit for the Years Ended  
December 31, 2014 and 2015*

REPORT NO. 16-14

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

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COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Background\**

The Orphans' Court Division of the Court of Common Pleas is charged with the responsibility of supervising the administration of descendant's estates and trusts and the processing of adoptions, incapacity hearings, parental termination cases and miscellaneous disputes regarding these matters. The name is an anachronism derived from an era in which those persons who traditionally had no legal "voice" (minor children, widows, orphans, deceased persons) required an objective entity, the Court, to "speak" for them and assure that their rights and interests were protected. Today, the administration of non-profit organizations also comes within the jurisdiction of the Orphans' Court, and, in Lehigh County, settlements of lawsuits or claims in which minors are to receive money must be approved by the Orphans' Court Division. This process also insures that the proceeds are deposited and preserved until the minor attains the age of majority. The Clerk of Orphans' Court is also responsible to issue marriage licenses upon "in-person" application by the couple.

\*Source: 2015 Budget Narrative prepared by the Clerk of Orphans' Court Division



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GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

Wendy A. W. Parr, Clerk of Orphans' Court Division  
Lehigh County Courthouse  
455 West Hamilton Street  
Allentown, PA 18101-1614

We have audited the accompanying *Statement of Receipts, Disbursements, and Changes in Cash Balance* of the Clerk of Orphans' Court Division for the years ended December 31, 2014 and 2015 as listed in the Table of Contents. The financial statements are the responsibility of the Clerk of Orphans' Court Division's management. Our responsibility is to express an opinion on the *Statement of Receipts, Disbursements, and Changes in Cash Balance* based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Also, as discussed in Note 1, the financial statements present only the Clerk of Orphans' Court Division's financial activity and does not purport to, and does not, present fairly the assets, liabilities, and results of operations of the County of Lehigh for the years ended December 31, 2014 and 2015 in conformity with the cash receipts and disbursements basis of accounting.

In our opinion, the *Statement of Receipts, Disbursements, and Changes in Cash Balance* referred to above present fairly, in all material respects, the financial activity arising from cash transactions of the Clerk of Orphans' Court Division for the years ended December 31, 2014 and 2015, on the basis of accounting described in Note 1. Please refer to the "*Schedule of Prior Audit Findings and Recommendations*" on pages 9-10 for the current status of issues raised in our prior audit #14-06 (for the calendar years 2011-2013) issued on April 23, 2014.



In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2016 on our consideration of the Clerk of Orphans' Court Division's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in dark ink, appearing to read 'Glenn Eckhart', with a stylized, flowing script.

Glenn Eckhart  
County Controller

April 21, 2016  
Allentown, Pennsylvania

xc: William Berndt, Court Administrator  
Board of Commissioners  
The Honorable J. Brian Johnston  
Thomas Muller, County Executive  
Timothy Reeves, Fiscal Officer  
The Honorable Edward Reibman, President Judge  
Janet Thwaites, Esquire, Orphans' Court Counsel/Director of Operations

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Statement of Receipts, Disbursements, and  
Changes in Cash Balance for the  
Years Ended December 31, 2014 and 2015  
(NOTE 1)*

	<u>2014</u>	<u>2015</u>
Receipts:		
Marriage License Fees	\$ 156,445	\$ 158,899
Office Fees (NOTE 2)	93,260	87,397
Commonwealth of PA JCP Fees (NOTE 2)	6,877	8,485
Grants (NOTE 3)	5,157	4,025
Adoption Counseling Fees (NOTE 2)	450	150
	-----	-----
 Total Receipts .....	 262,189	 258,956
	-----	-----
Disbursements:		
County of Lehigh	209,372	204,668
Commonwealth of Pennsylvania (NOTE 4)	52,367	54,138
	-----	-----
 Total Disbursements .....	 261,739	 258,806
	-----	-----
 Receipts Over (Under) Disbursements	 450	 150
 Cash Balance, January 1	 14,355	 14,805
	-----	-----
 Cash Balance, December 31 (NOTE 5)	 \$ 14,805	 \$ 14,955
	=====	=====

The accompanying notes are an integral part of this statement.

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Notes to Financial Statements  
for the Years Ended December 31, 2014 and 2015*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*A. Reporting Entity*

The Clerk of Orphans' Court Division's financial activity is a part of the County of Lehigh's reporting entity, included in the general fund and is subject to annual financial audit by external auditors. This report is only for internal audit purposes.

*B. Basis of Accounting*

The accounting records of the County of Lehigh and the Statement of Receipts, Disbursements, and Changes in Cash Balance are maintained on the cash receipts and disbursements basis of accounting. Under this basis of accounting, revenue is recognized when cash is received and expenditures are recognized when paid. This differs from Generally Accepted Accounting Principles (GAAP) which requires the accrual basis of accounting.

*C. Change in Computer Software*

Clerk of Orphans' Court Division began using a new computer software called "Odyssey" in April 2005. This computer software replaced the county developed software in KEA. The name "Odyssey" is a trademark/registered trademark of Tyler Technologies, Inc., the company who developed it. The County of Lehigh pays a monthly fee to Tyler Technologies, Inc. to use "Odyssey".

**NOTE 2 – FEES**

*A. Office Fees*

Office fees consist of fees that are charged by the Clerk of Orphans' Court Division to conduct normal business, E-filing fees, automation fees, and returned check fees.

*B. Adoption Counseling Fees*

Section 2505 of Title 23 of the Pennsylvania Consolidated Statutes provides for a filing fee in the amount of \$75 to be paid by adopting parties and segregated in a fund established by the county. This fund is to be used to pay for counseling for individuals relinquishing parental rights who are unable to pay for such counseling.

*C. Judicial Computer System (JCS) Fees*

This is a statutorily created fee imposed on "first filings in petitions concerning adoptions, incapacitated persons, estates of minors, and *inter vivos* trusts". Effective August 8, 2014, the JCS fee was increased from \$33.50 to \$35.50.



### NOTE 3 - GRANTS

The Guardianship Act, i.e., Act 24 of 1992, provides reimbursement of legal or witness costs associated with appointment of guardians for incapacitated persons who are unable to pay for these services. Grants are received from the Pennsylvania Department of Public Welfare (DPW) in the year after such costs are incurred.

### NOTE 4 - COMMONWEALTH OF PENNSYLVANIA

Disbursements to the Commonwealth of Pennsylvania include marriage license applications fees and judicial computer project (JCP) fees.

### NOTE 6 - CASH BALANCE, DECEMBER 31

The cash balance as of December 31 is comprised of:

	<u>2014</u>	<u>2015</u>
Funds Held by Lehigh County -		
Adoption Counseling Fees	\$ 14,805	\$ 14,955
	=====	=====



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Wendy A. W. Parr  
Clerk of Orphans' Court Division  
Lehigh County Courthouse  
455 West Hamilton Street  
Allentown, PA 18101-1614

We have audited the financial statements of the Clerk of Orphans' Court Division for the years ended December 31, 2014 and 2015 and have issued our report thereon dated April 21, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In planning and performing our audit, we considered the Clerk of Orphans' Court Division's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the *Statement of Receipts, Disbursements, and Changes in Cash Balance*, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Orphans' Court Division's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Orphans' Court Division's internal control over financial reporting.

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 misstatements 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.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such as there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

As part of obtaining reasonable assurance about whether the Clerk of Orphan's Court Division's financial statements are free of material misstatement, we performed tests of its 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 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*.

Please refer to the "*Schedule of Prior Audit Findings and Recommendations*" on pages 9-10 for the current status of issues raised in our prior audit #14-06 (for the calendar years 2011-2013) issued on April 23, 2014.

The Clerk of Orphans' Court Division's response to the findings identified in our audit are included in this report. We did not audit the Clerk of Orphans' Court Division's response and, accordingly, we do not express an opinion on it.

This report is intended solely for the information and use of management and other affected county offices and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read 'Glenn Eckhart', written in a cursive style.

Glenn Eckhart  
County Controller

April 21, 2016  
Allentown, Pennsylvania



COUNTY OF LEHIGH, PENNSYLVANIA  
ORPHANS' COURT DIVISION

*Schedule of Prior Audit Findings and Recommendations*

(Audit Report #14-06 issued April 23, 2014)

1. Computer Software Deficiencies

**Condition:** The “Odyssey” computer software has internal control deficiencies that need to be addressed:

- The “Unpaid Invoices” report does not contain accurate information. This report contains both paid and unpaid invoices.
- During the early part of 2013, Tyler Technologies changed banks that process credit card payments. In doing so, the credit card payment transaction fee does not show up on the monthly “Till Balance and Transaction Report”. Each month, the Office of Information & Technology creates a report listing all receipt numbers that used a credit card and the associated fee. The information that is included on this report: Transaction Date, Receipt Number, Payer, Amount Tendered and the Transaction Fee.

**Recommendation:** The management of Orphans’ Court Division should continue to work closely with Tyler Technologies, Inc. and the Office of Information & Technology to correct the software deficiencies within the next six months.

**Auditee Response:**

Unpaid Invoices Report: Apparently the entry of a payment taken at a “till” different from the one in which the invoice was entered, does not automatically make the invoice paid for purposes of the monthly reports. Until this deficiency is addressed by Tyler, Orphans’ Court is working on a protocol to follow when entering payment of unpaid invoices so that payment will be entered in a fashion that is accurately reported by the monthly reports generated through Odyssey. In addition, the Clerk will periodically run an Unpaid Invoice Report and review it manually for accuracy. Note that the practice of invoicing is declining and is at present limited primarily to County Offices (e.g. Aging, Children & Youth, etc.) and state offices (the Office of the Attorney General; DPW).

Credit Card Transaction Fees: In early 2013, Tyler Technologies, Inc., the owner of the Odyssey software case management system, did not “change banks”. Rather, a decision was made by court administration to process credit card payments “through” the Odyssey case management software system, rather than through an outside vendor (Elavon). An apparently unanticipated consequence of this change, is this noted audit finding: the credit card transaction fee, a separate charge payable to Tyler, is not itemized on the monthly *Till Balance and Transaction Report* that is generated through the Odyssey software. The transaction fee is reflected on the receipts printed at the time of the transaction, but is apparently not stored within Odyssey in a manner that permits it to appear on the monthly report run by the Clerk of the Orphans’ Court. This deficiency has been communicated to the County IT department for resolution. In the meanwhile, the Office does and



will continue to maintain hard copies of all receipts that reflect payment by credit card, which can be used to check the accuracy of the figures provided to the Clerk of the Orphans' Court by IT to be added to the monthly *Till Balance and Transaction Report* as credit card transaction fees generated by filings in the Orphans' Court. We welcome any guidance you may have as to the most efficient method of providing the hard copies of such receipts to the Fiscal Office, now that all monthly reports are required to be submitted electronically.

**Current Status:**

- Unpaid Invoices – The Orphans' Court is currently working with the IT department and Tyler Technologies to find a way to clear invoices that have been paid.
- Credit Card Convenience Fees – The Orphans' Court receives a report each month that is generated by the IT department, which lists the credit card convenience fees that were paid for each credit card transaction that occurred during the month. The credit card convenience fees are listed on the receipts at the time of the transactions, however they are not stored within Odyssey for future reference.

2. **"Fees Receivable" Report Not Accurate**

**Condition:** The "Fees Receivable" report does not contain accurate information. This report should contain only unpaid fees due Orphans' Court Division, however, during our review of the cases on the report, we noted duplicate charges posted to accounts that have been paid in full. The duplicate charges make these cases look like there are fees owed, when in fact, they are actually paid in full.

**Recommendation:** On a monthly basis, the management of Orphans' Court Division should review in detail, the cases listed on the "Fees Receivable" report. If there are any cases where fees have been posted in duplicate, they should be corrected. Once the "Fees Receivable" report has been reviewed, it should be signed and dated by management, and retained in the accounting records of the office.

**Auditee Response:** Orphans' Court has adopted your recommendation, and staff has been instructed in the correct manner to enter payments so as not to create duplicative entries.

**Current Status:** Resolved.



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Assistant Clerks:  
Minerva Diaz  
Susan M. Brown  
Kathleen Newett*

April 21, 2016

**Response of the Clerk of the Orphans' Court to  
Schedule of Audit Findings and Recommendations for Years Ended  
December 31, 2014 and 2015**

**1. Prior Audit Issues :**

- **Computer Software Deficiencies :**

The entry of a payment taken at a "till" different from the one in which the invoice was entered, does not automatically make the invoice paid for purposes of the monthly reports. At the time of the last audit Orphans' Court was working with Tyler and Lehigh County IT to develop a protocol for entering payments of unpaid invoices, and a protocol to follow to clear any invoices processed incorrectly.

The protocol to follow when entering a payment for an invoice is attached hereto as "Attachment A". The protocol to clear a paid invoice taken incorrectly is attached hereto as "Attachment B". In addition, the Clerk continues to periodically run an Unpaid Invoice Report to review for accuracy.

- Credit Card Transaction Fees :

It is my understanding that Tyler Technologies has no solution to this situation at this time. The 2.9% convenience fee that customers are paying to use a debit/credit card in Orphans' Court and Marriage License offices continues to print on the receipts for payment. Orphans' Court and Marriage License staff print two receipts, one is handed to the customer, the reprinted receipt is kept with the daily transmittal paperwork. The IT office continues to provide a report at the end of each month showing each credit/debit payment and a monthly total of convenience fees collected.

## **“Attachment A”**

### **Excerpt from Orphans’ Court “Odyssey Financial Manuel”:**

#### **Taking a payment for an invoice**

1. Under the heading **Fees & Finances** click the **View My Current Till**. You must have the Orphans’ Court Till open and be signed on that Till.
2. In the upper right hand corner there is a box that’s labeled Invoice you could either enter the last few numbers of that Invoice or scan the bar code on the Invoice. This will take you to the Add a Payment screen in the appropriate case.
3. There you will
  - a) Enter the **type: Payment**
  - b) **Payor: click the notebook and choose appropriate party**
  - c) Enter **method** of payment: **cash or check**
  - d) Enter **amount of payment**. See below for multiple charges from various cases being paid with one payment.
4. **Alt+P or Save/Print**

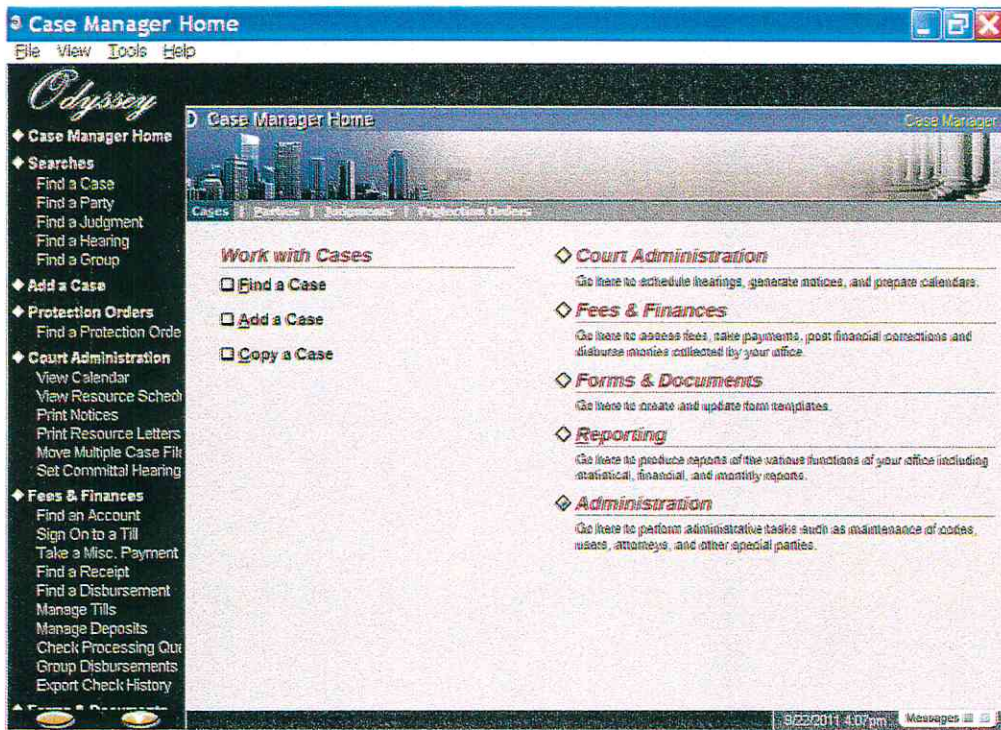


## “ATTACHMENT B”

### Process to Clear Unpaid Invoices

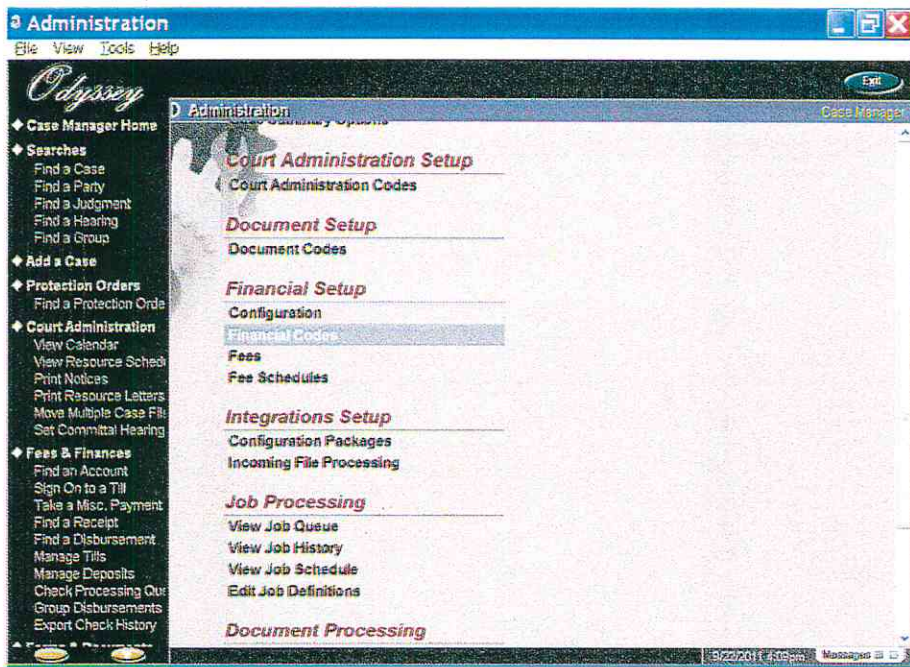
*Adjustments can not be made the same day of the payment*

1. From Odyssey Case Manager Home screen Click on **Administration**

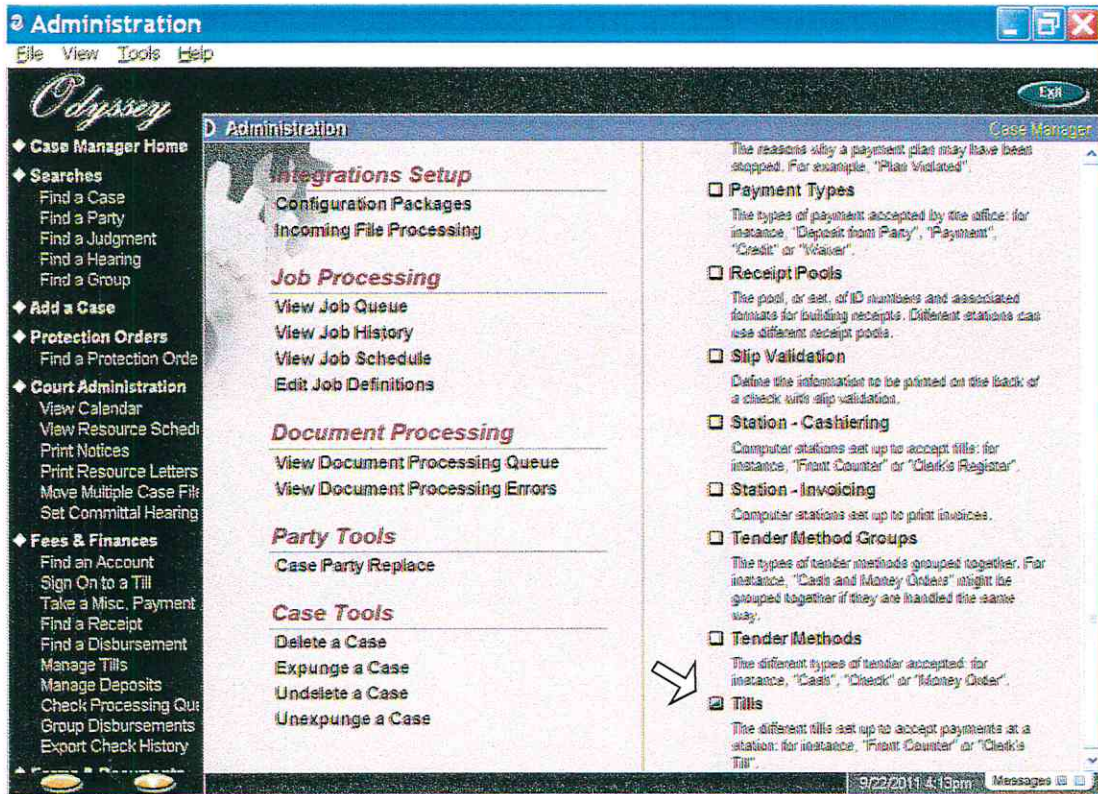


Under the heading Financial Setup click on **Financial Codes**

**You will perform the same steps for Tills, Receipt Pools, & Cashiering Stations**



In the right hand column of the screen, scroll to the bottom and click on **Tills**



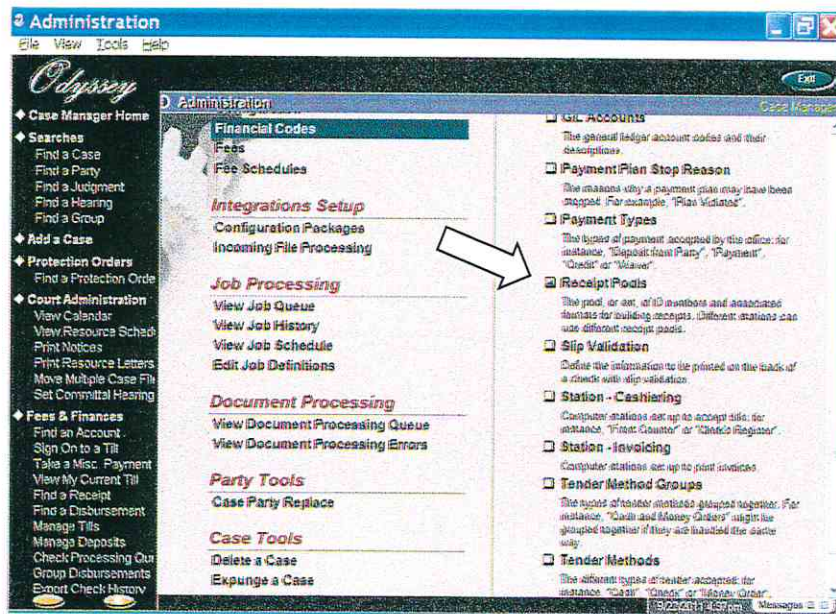
A box will appear titled "Select Location"  
Click on **Orphans' Court**











A screen titled “Maintain Receipt Pools” will appear

Put a check mark in the check box titled **Show Obsolete Codes**. You will find this box in the upper right hand corner of the screen. (Click on the box to place the check mark).

Click on the **Invoice Adjustment Receipt Pool**

**Highlight** and **delete** the obsolete date

Click on **SAVE** then **EXIT**