




COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 820-3335

TO: Final Report Distribution

FROM: Thomas Slonaker, County Controller 

DATE: October 8, 2009

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, 2007 and 2008. Our audit report number 09-50 is attached.

**The results of our current audit are:**

- The County of Lehigh received the proper amounts due from the Clerk of Orphans' Court Division.
- The orphans' court computer software (*Odyssey*) lacks several preventative controls.

**Unresolved prior audit issues include:**

- Management and staff still access the same cash drawer.
- System (*Odyssey*) controls do not prevent backdating of transactions.
- The office fee schedule has not been updated for almost 20 years.

Attachment

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Financial Audit for the Years Ended  
December 31, 2007 and 2008*

REPORT NO. 09-50

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 Division, 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: 2008 Budget Narrative prepared by the Clerk of Orphans' Court Division





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Wendy A. 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, 2007 and 2008 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 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 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, 2007 and 2008 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, 2007 and 2008, on the basis of accounting described in Note 1. However, we noted control deficiencies or other management issues that are described in the accompanying "*Schedule of Audit Findings and Recommendations*".

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2009 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.



Thomas Slonaker  
County Controller

October 2, 2009  
Allentown, Pennsylvania

xc: Board of Commissioners  
Donald T. Cunningham, Jr., County Executive  
The Honorable Brian J. Johnson, Administrative Judge  
Brian L. Kahler, Fiscal Officer  
The Honorable William H. Platt, President Judge  
Susan T. Schellenberg, Court Administrator  
Troy A. Stone, Chief Information Officer  
Kathleen M. Warren, Software Development Manager  
Janet T. Wofffindin, 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, 2007 and 2008*  
(NOTE 1)

	<u>2007</u>	<u>2008</u>
Receipts:		
<i>Marriage License</i>	\$104,147	\$96,861
<i>Office Fees</i>	33,946	37,304
<i>Grants (NOTE 4)</i>	4,875	7,299
<i>Judicial Computer Project Fees</i>	3,680	3,680
<i>Adoption Counseling Fees</i>	300	450
	-----	-----
Total Receipts .....	146,948	145,594
	-----	-----
Disbursements:		
<i>County of Lehigh (NOTE 5)</i>	95,490	95,749
<i>Commonwealth of Pennsylvania (NOTE 6)</i>	51,158	49,395
	-----	-----
Total Disbursements .....	146,648	145,144
	-----	-----
Receipts Over (Under) Disbursements	300	450
Cash Balance, January 1	12,180	12,480
	-----	-----
Cash Balance, December 31 (NOTE 3)	\$ 12,480	\$ 12,930
	=====	=====

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, 2007 and 2008*

**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 - 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.

**NOTE 3 - CASH BALANCE, DECEMBER 31**

The cash balance as of December 31 is comprised of:

	<u>2007</u>	<u>2008</u>
Funds Held by Lehigh County -		
Adoption Counseling Fees	\$ 12,480	\$ 12,930
	=====	=====



#### NOTE 4 - 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 5 - COUNTY OF LEHIGH

Disbursements to the County of Lehigh are broken down into the following categories:

	<u>2007</u>	<u>2008</u>
Marriage License Application Fees	\$ 56,669	\$ 51,146
Orphans' Court Office Fees	33,946	37,304
Grant – DPW	4,875	7,299
	-----	-----
<b>Total</b> .....	\$ 95,490	\$ 95,749
	=====	=====

#### NOTE 6 - COMMONWEALTH OF PENNSYLVANIA

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



# COUNTY OF LEHIGH

## OFFICE OF THE CONTROLLER

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Wendy A. 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, 2007 and 2008 and have issued our report thereon dated October 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 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 control deficiency 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 control deficiency, or combination of control deficiencies, that adversely affects the Clerk of Orphans' Court Division's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Clerk of Orphans' Court Division's financial statements that is more than inconsequential will not be prevented or detected by the Clerk of Orphans' Court Division's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clerk of Orphans' Court Division's internal control.

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 Clerk of Orphans' 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*.

We noted certain matters that we reported to management of the Clerk of Orphans' Court Division in a separate section titled "*Schedule of Current Audit Findings and Recommendations*" and "*Schedule of Prior Audit Findings and Recommendations*".

Clerk of Orphans' Court Division's response to the findings identified in our audit are included in this report. We did not audit 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 black ink, appearing to read 'Tom Slonaker', with a long horizontal flourish extending to the right.

Thomas Slonaker  
County Controller

October 2, 2009  
Allentown, Pennsylvania



COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Schedule of Current Audit Findings and Recommendations*

1. Computer Software Lacks Preventative Controls

**Condition:** The "Odyssey" computer software has several system deficiencies that need to be corrected:

- There are 6 obsolete/terminated/retired/transferred employees that are listed as inactive users.
- There are two Clerk of Orphans' Court Division employees that have the ability to change the office fee code tables.
- Two Register of Wills employees have the ability to access and change marriage license data.

The deficiencies noted above have been discussed with the staff of the Office of Information Technology handling "Odyssey" issues.

**Recommendation:** Management should contact the Office of Information Technology and Tyler Technologies and request that the "Odyssey" system deficiencies be corrected. "Odyssey's" system changes should be documented, approved by management, and retained for management review.

- Access to the Clerk of Orphans' Court Division data should be limited only to authorized Clerk of Orphans' Court Division staff. Obsolete user names, terminated, retired and transferred employees that are listed as inactive should be removed from the user list.
- The ability to make changes to the office fee code table should require the involvement of the Office of Information Technology.
- Adequate internal control procedures require management re-evaluate the user roles of the Clerk of Orphans' Court Division staff as personnel changes within the organization.



COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Schedule of Prior Audit Findings and Recommendations*

1. Prior Audit Issues

**Condition:** Several issues remain unresolved from the prior year audit report No. 07-69 for the year ended December 31, 2006:

- A) Individual cash drawers
- B) Tracking paid and unpaid invoices
- C) Backdating transactions
- D) Update the office fee schedule
- E) Uncollected county revenue

**Recommendations:**

As to points A, B, and C above, we reiterate our position that the current practices will not adequately prevent or detect errors or fraud from occurring; however management of the clerk of orphan's court is responsible for establishing and maintaining the internal control system *including the level of acceptable risk*. As to point D, we maintain the clerk of orphan's court division's office fee schedule should be updated to what other counties in Pennsylvania charge (last updated in 1990). For the final unresolved issue E (draft only in our last audit report), any open accounts receivable remaining unpaid after 180 days should be referred to the county department of law via a legal service requisition. Any amounts deemed uncollectible by the department of law should be written off.

**Current Status:** Management has corrected the following issues:

- B. The "unpaid" and "fees receivable" reports are now working correctly and can track outstanding and overdue accounts in an efficient and timely manner.
- E. Uncollected county revenue was written off by a court order.

**Unresolved:** Management has not corrected the following issues:

- A. Management and staff still use a combined cash drawer.
- C. Backdating transactions can still occur.
- D. The office fee schedule still has not been updated but proposed changes have been discussed and are expected to be implemented in 2010.



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Minerva Diaz  
Susan M. Brown  
Kathleen Newett*

*Memorandum*

*To:* Thomas Slonaker, County Controller

*From:* Wendy A. W. Parr, Clerk of Orphans' Court Division *wp*

*In re:* Response to Audit Report Draft

Attached are the written comments to the draft report of your office's audit of the Clerk of the Orphans' Court for the years ending December 31, 2007 and 2008. Thank you for the opportunity to provide a response to your findings and recommendations.

*cc:* Hon. J. Brian Johnson, Administrative Judge  
Janet T. Woffindin, Esquire, Orphans' Court Counsel & Director of Operations



*Lehigh County Court of Common Pleas  
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*Response of the Clerk of the Orphans' Court to  
Schedule of Audit Findings and Recommendations for Years Ended  
December 31, 2007 and 2008*

*October 2, 2009*

1. Computer Software Lacks Preventative Controls

• Inactive/retired/transferred employees :

It is my understanding that the Odyssey program requires all employee "profiles" to remain in the user list in order for the work they performed to be viewable on reports, print out and such.

• Orphans' Court employees able to make changes to fee codes :

Changes are made to the fee codes at the Clerk's direction and only in cases where the fee codes available are not appropriate to the filing, for example: a formal account is being filed, but does not require the \$40.00 advertising fee. Odyssey does not provide for charges to be obsolete from the default. Because an attorney, or their staff is standing at our counter, the time it takes to contact an Odyssey IT person to perform a modification for one receipt, and then undo that modification, is not an efficient method of conducting business. In addition, the ability to "change fees" is more properly described as the ability to obsolete a fee contained within a defaulted fee group.



- Register of Wills employees with ability to access and change marriage information:

During an extended period of short staffing in the Orphans' Court office, two Register of Wills employees were helping to take marriage applications. I have e-mailed Jennifer Nelson to request that their access to marriage information be restored to read only access. (copy of e-mail attached as *Attachment 1*)

2. Prior Audit Issues :

- Individual cash drawers :

I do not consider this issue "unresolved". While it is true that at present each of the 5 full time and 1 part time Orphans' Court employees do not have individual cash drawers, it is my feeling that as the person responsible for overseeing the daily operations of this office, to have one Orphans' Court till and one marriage license till allows me to more effectively manage the daily financial process of each office. Because our employee's desks are not located in one area of the office, it is impossible for me to keep an eye on each cash drawer. In addition, each employee is signing into the till when they are processing a payment, there is an audit trail of which employee took each payment.

- Backdating transactions :

Your attention is directed to pages 3 and 4 of the Orphans' Court financial manual (a copy of which is attached hereto as *Attachment 2*), specifically the sections titled, VOID PAYMENTS and REVERSE PAYMENTS. You will note that no transactions are backdated. In the event that an error is detected, and the necessary supervisory authorization to void or reverse a charge has been obtained, the employee enters a written explanation of the reason for the adjustment, and prints a screen shot of that entry for attachment to the original receipt (regarding voids) and transmittal to the Controller's Office with the Daily Receipt Journal.

- Orphans' Court Fee Schedule :

This issue is more accurately characterized as "work in progress", rather than "unresolved". It is true that the fee schedule has not been modified since 1990. Revision is a major project that requires the involvement and approval of the Court. Since my appointment in May I have been diligently working to update and improve many areas of procedure in the office. The fee schedule is one area that is a priority, as I am hopeful to have the approval of the Court to begin using the new fees January of 2010.