



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 871-2897

GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** *John Falk for:*  
Glenn Eckhart, County Controller  
**DATE:** April 23, 2014  
**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, 2011, 2012 and 2013. Our audit report number 14-6 is attached.

The results of our current audit are:

- The County of Lehigh received the proper amounts from the Clerk of Orphans' Court Division.
- All prior audit findings (Audit Report #11-66) issued December 22, 2011 have been corrected.
- Computer Software (Odyssey) has internal control deficiencies:
  - 1) Unpaid Invoices Report contains both paid and unpaid invoices.
  - 2) Fees Receivable Report contains both paid and unpaid charges.
  - 3) Credit Card Transaction fees are not listed on the "Till Balance and Transaction Report".

Attachment

AUDITS/ORPHANS COURT

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Financial Audit for the Years Ended  
December 31, 2011, 2012 and 2013*

REPORT NO. 14-6

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: 2013 Budget Narrative prepared by the Clerk of Orphans' Court Division



GLENN ECKHART  
COUNTY CONTROLLER

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JOHN A. FALK  
DEPUTY CONTROLLER

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, 2011, 2012 and 2013 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, 2011, 2012 and 2013 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, 2011, 2012 and 2013, 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*" and "*Schedule of Prior Audit Findings and Recommendations*"

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2014 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.

Handwritten signature of Glenn Eckhart in cursive, with the word "for:" written below it.

Glenn Eckhart  
County Controller

April 22, 2014  
Allentown, Pennsylvania

xc: William B. Berndt, Court Administrator  
Board of Commissioners  
The Honorable Carol K. McGinley, President Judge  
Thomas S. Muller, County Executive  
Timothy A. Reeves, Fiscal Officer  
The Honorable Edward D. Reibman, Administrative Judge  
Troy A. Stone, Chief Information Officer  
Kathleen M. Warren, Software Development Manager  
Janet T. Woffindin, 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, 2011, 2012 and 2013  
(NOTE 1)*

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Receipts:			
Marriage License Fees	\$ 147,186	\$ 159,095	\$ 151,625
Office Fees (NOTE 2)	91,345	76,003	101,300
Commonwealth of PA JCP Fees	11,528	5,593	7,309
Grants (NOTE 4)	3,348	375	5,721
Adoption Counseling Fees (NOTE 3)	150	375	150
	-----	-----	-----
 Total Receipts .....	 253,557	 241,441	 266,105
	-----	-----	-----
Disbursements:			
County of Lehigh	203,500	190,783	217,277
Commonwealth of Pennsylvania (NOTE 5)	49,907	50,283	48,678
	-----	-----	-----
 Total Disbursements .....	 253,407	 241,066	 265,955
	-----	-----	-----
 Receipts Over (Under) Disbursements	 150	 375	 150
 Cash Balance, January 1	 13,680	 13,830	 14,205
	-----	-----	-----
 Cash Balance, December 31 (NOTE 6)	 \$ 13,830	 \$ 14,205	 \$ 14,355
	=====	=====	=====

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, 2011, 2012 and 2013*

**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 – 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 bad check fees.

**NOTE 3 - 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 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 - 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>2011</u>	<u>2012</u>	<u>2013</u>
Funds Held by Lehigh County - Adoption Counseling Fees	\$ 13,830 =====	\$ 14,205 =====	\$14,355 =====



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GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

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, 2011, 2012 and 2013 and have issued our report thereon dated April 22, 2014. 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*.

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

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.



Glenn Eckhart  
County Controller

April 22, 2014  
Allentown, Pennsylvania

COUNTY OF LEHIGH, PENNSYLVANIA  
ORPHANS' COURT DIVISION

*Schedule of Audit Findings and Recommendations*

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.

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.

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Schedule of Prior Audit Findings and Recommendations*

(Audit Report #11-66 issued December 22, 2011)

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 and 09-50 for the years ended December 31, 2007 and 2008:

- A. Individual cash drawers
- B. Backdating transactions
- C. Update the office fee schedule

2. Computer Software Lacks Preventative Controls

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

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

**Current Status:** We wish to thank the management and staff of Orphans' Court Division for their cooperation and assistance in correcting all of the prior year audit findings.

## ORPHANS' COURT DIVISION

- Janet T. Woffindin, Esquire  
Counsel and Director of Operations
- Wendy A. W. Parr,  
Clerk of the Orphans' Court Division

### Memorandum

**To:** Glenn Eckhart, County Controller

**From:** Wendy A. Parr, Clerk of the Orphans' Court  
Janet T. Woffindin, Esquire, Orphans' Court Counsel & Director of Operations *gtw*

**Date:** April 2, 2014

**Re:** Comments on Audit Report Draft (dated April 2, 2014)

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, 2011, 2012, and 2013. Thank you for the opportunity to provide a response to your findings and recommendations. We welcome any suggestions that you may have to continue to assure the financial integrity of the Office of the Clerk of the Orphans' Court.

cc: Honorable Edward D. Reibman, A.J., Orphans; Court Division  
William P. Berndt, Court Administrator



**Lehigh County Court of Common Pleas  
Orphans' Court Division  
Lehigh County Courthouse  
455 West Hamilton Street  
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**Janet T. Woffindin, Esquire**  
*Director of Orphans' Court Operations*  
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**Wendy A.W. Parr**  
*Clerk of Orphans' Court Division*  
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*Assistant Clerks:*  
Minerva Diaz  
Kathleen Newett  
Judith Sell

**Response of the Clerk of the Orphans' Court to  
Schedule of Audit Findings and Recommendations for Years Ended  
December 31, 2011, 2012 and 2013**

April 22, 2014

1. Computer Software Deficiencies

Condition: Unpaid Invoices Report

Orphans' Court Response:

Apparently the entry of a payment taken at a "till" different from the one in which the invoice was entered, does not automatically mark 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 the 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

Orphans' Court Response:

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, this 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.

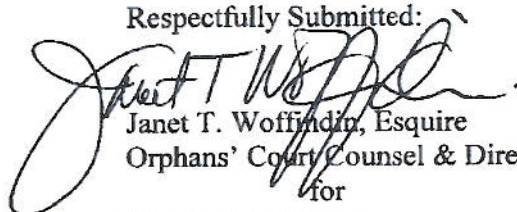
2. "Fees receivable" Report Not Accurate :

Condition: Duplicate charges appearing on report:

Orphans' Court 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.

Respectfully Submitted:



Janet T. Woffindin, Esquire  
Orphans' Court Counsel & Director of Operations  
for

Wendy A. W. Parr,  
Clerk of the Orphans' Court

cc: Honorable Edward D. Reibman, Administrative Judge