




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

THOMAS SLONAKER  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Report Distribution  
**FROM:** Thomas Slonaker, County Controller  
**DATE:** December 22, 2011  
**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, 2009 and 2010. Our audit report number 11-66 is attached.

The results of our current audit is the County of Lehigh received the proper amounts due from the Clerk of Orphans' Court Division.

**Unresolved prior audit issues include:**

- Management and staff access the same cash drawer.
- System (*Odyssey*) controls do not prevent backdating of transactions.
- Some staff are able to change fee code tables.

Attachment

AUDITS/ORPHANS

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Financial Audit for the Years Ended  
December 31, 2009 and 2010*

REPORT NO. 11-66

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: 2010 Budget Narrative prepared by the Clerk of Orphans' Court Division



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THOMAS SLONAKER  
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 accompanying Statement of Receipts, Disbursements, and Changes in Cash Balance of the Clerk of Orphans' Court Division for the years ended December 31, 2009 and 2010 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, 2009 and 2010 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, 2009 and 2010, 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 December 21, 2011 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

December 21, 2011  
Allentown, Pennsylvania

xc: Board of Commissioners  
Donald T. Cunningham, Jr., County Executive  
Brian L. Kahler, Fiscal Officer  
The Honorable Carol K. McGinley, President Judge  
The Honorable Edward D. Reibman, Administrative Judge  
Susan T. Schellenberg, Court Administrator  
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, 2009 and 2010*  
(NOTE 1)

	<u>2009</u>	<u>2010</u>
Receipts:		
Marriage License Fees	\$ 54,264	\$ 104,114
Orphans' Court Fees	31,662	101,796
Credit Card Fees	162	1,870
E-Filing Fees	0	3,980
Automation Fees	0	3,995
Returned Checks Fees	20	0
State Marriage License Fees	45,264	42,456
State JCP Fees	2,993	7,740
Counseling Fees (NOTE 2)	450	300
Grants (NOTE 4)	1,572	4,455
	-----	-----
 Total Receipts .....	 136,387	 *270,706
	-----	-----
Disbursements:		
County of Lehigh	87,680	220,210
Commonwealth of Pennsylvania (NOTE 5)	48,257	50,196
	-----	-----
 Total Disbursements .....	 135,937	 *270,406
	-----	-----
 Receipts Over (Under) Disbursements	 450	 300
 Cash Balance, January 1	 12,930	 13,380
	-----	-----
 Cash Balance, December 31 (NOTE 3)	 \$ 13,380	 \$ 13,680
	=====	=====

The accompanying notes are an integral part of this statement.

\* The increase in fees and disbursements is due to the implementation of a revised fee schedule in January 2010.

COUNTY OF LEHIGH, PENNSYLVANIA  
CLERK OF ORPHANS' COURT DIVISION

*Notes to Financial Statements  
for the Years Ended December 31, 2009 and 2010*

**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>2009</u>	<u>2010</u>
Funds Held by Lehigh County - Adoption Counseling Fees	\$ 13,380	\$ 13,680
	<u>=====</u>	<u>=====</u>



**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 fees.



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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 financial statements of the Clerk of Orphans' Court Division for the years ended December 31, 2009 and 2010 and have issued our report thereon dated December 21, 2011. 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.

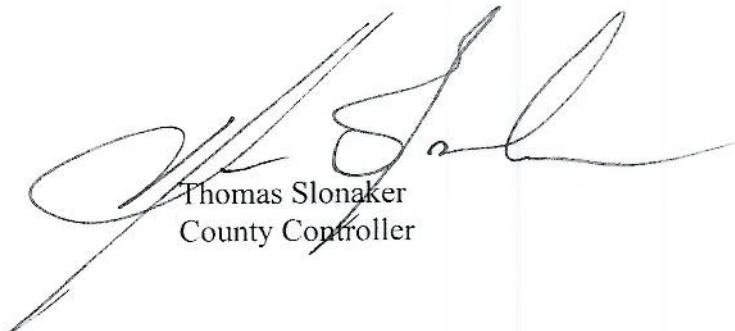
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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



Thomas Slonaker  
County Controller

December 21, 2011  
Allentown, Pennsylvania

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 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

**Recommendations:**

As to points A and B 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 such, management has decided that the risks associated with issues are acceptable in comparison with the cost of mitigating these risks.

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

- C. A new fee schedule was implemented effective December 1, 2010.

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

- A. Management and staff still use a combined cash drawer.
- B. Backdating transactions can still occur.

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 register of wills employees have the ability to access and change marriage license data.

**Recommendation:** As to point B above, we reiterate our position that the current practice will not adequately prevent or detect errors or fraud from occurring; however, management of the clerk of orphans’ court division is responsible for establishing and maintaining the internal control system including the level of acceptable risk. As such, management has decided that the risks associated with issue B are acceptable in comparison with the cost of mitigating this risk.

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

- A. The six obsolete/terminated/retired/transferred employees are unable to change data in the orphans’ court division system and it is necessary to retain these names in the system to maintain the transactions enacted by these former employees.
- C. The register of wills employees have had their access to the orphans’ court division’s portion of the *Odyssey* computer system removed.

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

- B. There remain two clerk of orphans’ court division employees who are able to change the office fee code tables.

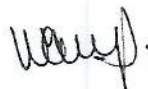


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Minerva Diaz  
Susan M. Brown  
Kathleen Newett*

*To:* Thomas Slonaker, County Controller

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

*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, 2009 and 2010. Thank you for the opportunity to provide a response to your findings and recommendations.

*cc:* Susan T. Schellenberg, Court Administrator  
Janet T. Woffindin, Esquire, Orphans' Court Counsel & Director of Operations



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**Response of the Clerk of the Orphans' Court to  
Schedule of Audit Findings and Recommendations for Years Ended  
December 31, 2009 and 2010**

December 21, 2011

1. 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 D*), 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.

2. Computer Software Lacks Preventative Controls

- 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. In fact, with the implementation of the new fee schedule in January 2010, the instances requiring me to obsolete a fee have been reduced significantly.



Auditor. Invoicing is only used for Orphans' Court Division. A Fees Receivable Report should be run monthly to view outstanding Invoices. You can run this going into Reports – Financial Activity – Fees Receivables.

**Taking a payment for an invoice**

10. 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.
11. 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.
12. 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.
13. **Alt+P or Save/Print**

**VOID PAYMENTS** – A Void Payment removes money, receipted into the current till instance. A Void will affect the balancing of case drawers which will be reflected in both your Till Balance Report and the Receipt Journal. You must be in the open till to void a payment. Original Receipt must be kept for submission to Controller's Office.

1. While in the Financial Tab in the appropriate case, click on the party which contains the charges and payment to be voided.
2. Click on View Transactions (written in yellow next to the check book icon).
3. Right Click the payment you would like to Void – an authorization prompt should appear. There are two people in this office that have the authorization to override this prompt. Those two people being the Clerk of Orphans' Court and Orphans' Court Auditor. Should both of them be out of the office, you must wait until their return to adjust this transaction. Please exit out of the financials – **DO NOT TRY TO VOID THE PAYMENT OR CHARGE.** *(The Clerk of Orphans' Court and Orphans' Court Auditor do not have the ability to void their own transactions. They must have the other person's authorization.)*
4. Once that authorization is approved, you must enter a comment/reason for the void. **DO NOT BACKDATE YOUR TRANSACTION.** Print a screen shot of that adjustment by clicking **Ctrl+Print Screen**. This screen shot together with the original receipt must be attached to the Daily Receipt Journal as an explanation of the adjustment for the Controller's Office. – Save your Adjustment.
5. You may now void the charges, if necessary, by repeating items 1. through 4. above, choosing the appropriate charge.



6. Assessing correct fees and payments to the correct case. See Assess/Applying Fees and above.

**REVERSE PAYMENTS** – Reverse is done to payments that were receipted in a prior till instance. You must first reverse the payment before you can reverse the charge

1. While in the Financial Tab in the appropriate case, click on the party which contains the charges and payment to reverse.
2. Click on View Transactions (written in yellow next to the check book icon).
3. Right Click on the payment to Reverse – an authorization prompt should appear. There are two people in this office that have the authorization to override this prompt. Those two people being the Clerk of Orphans' Court and Orphans' Court Auditor. Should both of them be out of the office, you must wait until their return to adjust this transaction. Please exit out of the financials – **DO NOT TRY TO REVERSE THE PAYMENT OR CHARGE.** *(The Clerk of Orphans' Court and Orphans' Court Auditor do not have the ability to reverse their own transactions. They must have the other person's authorization.)*
4. Once that authorization is approved, you must enter a comment/reason for the reverse. **DO NOT BACKDATE YOUR TRANSACTION.** Print a screen shot of that by clicking **Ctrl+Print Screen**. This screen shot must be attached to the Daily Receipt Journal as an explanation of the reversal for the Controller's Office. – Save your Reverse.
5. You may now reverse the charges, if necessary, by repeating items 1. through 4. above, choosing the appropriate charge.
6. To assess/apply fees to correct case please see Adjustment Procedure below.

**END OF DAY LOGOFF**

- At the close of business you must close your till which closes the fees & finances for the day.
- Under the heading **Fees & Finances** click on **Manage Tills** Select the appropriate location, Marriage License or Orphans' Court
  1. Click onto the **appropriate Till , Marriage License or Orphans' Court**
  2. **Click onto the opened till.**
  3. Locate, at the bottom of the screen, the **yellow close till**
- **Alt+S** or **Yes** when prompted with saving the till
- **Alt+Y** or **Reconcile the Till**
- **Check the Reconcile Complete box (Reconcile by adding to Till Breakdown).**
- **Alt+C** or **Continue**
- **Alt+S** or **Save**
- **Alt+X** or **Exit**