




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: June 4, 2009

RE: Internal Audit of the Coroner's Office – Executive Summary

We have completed an internal audit of the coroner's office, Lehigh County, Pennsylvania for the year ended December 31, 2008. Our report 09-18 is attached.

The results of our internal audit are:

1. The county has limited recourse to collect unpaid autopsy fees. The unpaid balance, owed by other counties, has risen from \$57,000 in 2006 to \$108,000 in 2008.
2. Current collection procedures for cremation authorizations are adequate.
3. Coroner's office personnel separation of duties provides adequate internal control over fee assessment and collections.

Attachment

AUDITS/CORONER

COUNTY OF LEHIGH, PENNSYLVANIA

CORONER'S OFFICE

Internal Audit for the Year 2008

REPORT NO. 09-18

COUNTY OF LEHIGH, PENNSYLVANIA
CORONER'S OFFICE

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Scott M.Grim, D-ABMDI, Coroner
Lehigh County Old Courthouse
501 West Hamilton Street, Room 105
Allentown, PA 18101

We have recently completed an internal audit of financial transactions at the Coroner's Office. The scope of our detail audit testing covered January 1 through December 31, 2008. Our objective was to evaluate internal controls over Coroner's Office fee assessments and collections.

We conducted our audit in accordance with the "*International Standards for the Professional Practice of Internal Auditing*", promulgated by the Institute of Internal Auditors. Our audit included examination of the accounting records, documentation, discussions with the Coroner's Office and other county personnel, and such other auditing procedures we considered necessary in the circumstances.

We concluded that internal controls over fee assessments and collections were adequate. Each of the prior audit findings (report #07-29 issued June 14, 2007) have been addressed resulting in improved control over fee assessments and collections. A complete description of prior audit issues is detailed in the accompanying "*Schedule of Prior Audit Findings and Recommendations*".

We wish to thank the Coroner and his staff for their cooperation during the audit. This report is intended for the information and use of the Coroner's Office and other affected county offices. However, this report is a matter of public record and its distribution is not limited.

THOMAS SLONAKER
County Controller

April 30, 2009
Allentown, Pennsylvania

Final Distribution:
Board of Commissioners
Donald T. Cunningham, Jr., County Executive
Brian L. Kahler, Fiscal Officer

COUNTY OF LEHIGH, PENNSYLVANIA
CORONER'S OFFICE

Background

Mission Statement

The mission of the Lehigh County Coroner's Office is to investigate the cause and manner of death of individuals who die within the boundaries of the county where the deaths were unattended, resulted from sudden incident, or occurred under violent or suspicious circumstances. The investigations and rulings of the Coroner's Office are the foundation for follow-up actions by other investigative agencies.

Additionally, the Office of the Coroner provides for decedent identification, orders autopsies and toxicological and forensic testing when required, conducts inquests when necessary, and provides assistance to law enforcement agencies.

Case Activity

Statistics reported by the Coroner's Office reflect the following activity:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cases	692	737	733
Death Notifications	1,774	1,730	1,779
Cremation Authorizations	1,488	1,483	1,671
Autopsies	218	218	254

Revenue Sources

Fees are generated from cremation authorization requests and report copies. The office also invoices outside agencies for autopsies performed at their request. Another funding source is an annual distribution from the state of death certificate copy fees. Cash received from these sources, per the county general ledger, for the last three years amounted to (in \$000):

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Cremation Authorization Requests	\$ 37	\$ 36	\$ 40
Report/Autopsy Requests	25	25	30
Death Certificate Fees	39	38	37

COUNTY OF LEHIGH, PENNSYLVANIA
CORONER'S OFFICE

Schedule of Prior Audit Findings and Recommendations

1. Uncollected Office Fees

Autopsy Fees

Condition: As of December 31, 2006, the amounts due from other counties for autopsy fees were \$92,158. These unpaid fees are largely out of the control and influence of the county coroner. Autopsy fees are billed to the resident county by the coroner's office; however, many counties do not pay for the autopsy services. Unpaid autopsy fees commonly occur when non-county residents' accident victims are taken to Lehigh County trauma centers.

Recommendation: The coroner should request a legal opinion concerning the legal right to invoice and collect payment from other counties for autopsy services. If other counties are deemed liable for the cost of these services, the County of Lehigh law department should pursue collection of unpaid amounts.

Auditee Response: As we are all aware, there is a large amount of monies that remain unpaid for autopsies performed by the Office for incidents that have occurred in other surrounding Counties and are flown into one of the two local Trauma Centers. This will always be a continuous problem. Per the Audit recommendation, I did request a legal opinion for the County of Lehigh Law Department to determine two issues; one, is there any legal recourse to pursue for payment from the outside counties for our services and if so, what are the procedures for collection. And two, if there is no legal action to pursue these government agencies, do we stop invoicing for the autopsy services and what to do with the current fees that remain unpaid.

As of this date, I have no received any opinions back from the Department of Law.

Current Status: The Lehigh County department of law issued their opinion on July 9, 2007, in which they concluded the Coroner may invoice other counties. As of December 31, 2008, unpaid autopsy fees billed to other counties amounted to \$108,383.

Recent history reflects only a portion of the fees are being paid (in \$000):

<u>Year</u>	<u>Unpaid Bal Beg of Year</u>	<u>Charges</u>	<u>Payments</u>	<u>Unpaid Bal End of Year</u>
2006	\$ 57	\$ 40	\$ 5	\$ 92
2007	92	17	7	102
2008	102	12	6	108

The fiscal office mails quarterly statements and, when circumstances allow, offsets invoices from counties owing autopsy fees against their unpaid balance. Since the county has limited recourse to force payment the current approach seems appropriate.

Cremation Authorization Fees

Condition: As of December 31, 2006, the amounts due from funeral homes for cremation authorization fees were \$5,995. Most of the local funeral homes pay their fees on a timely basis. The coroner's office expedites the processing of the cremation requests providing efficient service to funeral directors and the decedent's family. There are, however, several funeral homes that have old outstanding balances or refuse to pay cremation fees billed by the office of fiscal affairs.

Recommendation: The coroner should notify the delinquent funeral home directors in writing that effective immediately, cremation authorization requests will require prepayment unless the balances due are paid. The office of fiscal affairs should consider writing-off any uncollectible cremation authorization accounts receivable.

Auditee Response: You are correct in saying that the Coroner's Office does expedite the processing of all cremation authorization requests and that there are several funeral homes with outstanding balances or who simply refuse to pay. According to Statute, the Coroner's Office shall authorize all cremation requests, as well as, may charge a fee for services. I do not agree that any fees owed to the County of Lehigh should be written-off. My recommendation is the Office of Fiscal Affairs, who mails Accounts Receivable Statement to the funeral homes, should inform the Law Department when accounts are more than 90 days in arrears, in order for the Law Department to begin a legal process to collect such fees.

Current Status: The fiscal office mails quarterly statements and contacts funeral homes with past due balances. As of December 31, 2008, unpaid cremation authorization fees amounted to \$8,090.

Recent history reflects that most of the fees are paid (in \$000):

<u>Year</u>	<u>Unpaid Bal Beg of Year</u>	<u>Charges</u>	<u>Payments</u>	<u>Unpaid Bal End of Year</u>
2006	\$ 6	\$ 38	\$ 38	\$ 6
2007	6	39	38	7
2008	7	43	42	8

Current collection procedures appear to be effective.

2. Invoice Process / Revenue Control

Manual Transaction Numbering

Condition: The coroner's office staff manually pre-numbers the invoices for cremation authorizations and autopsies. Report request activity is entered on a log but transactions are not sequentially numbered. Proper internal control requires pre-numbering of financial transactions to assure all activity is recorded.

Recommendation: The invoices issued by the coroner's office should be pre-numbered. Consult with Quincy Technologies, Inc. to determine if the "CaseManager" software has the capability of issuing consecutive transaction numbers for all revenue transactions (autopsies, cremation authorizations, and report requests). Also, invoice numbers should be posted to the cremation authorization log, report request log, and to the autopsy log as verification that services were invoiced.

Auditee Response: Investigations are manually numbered into three (3) separate categories: Jurisdictions, Non-Jurisdictions and Cremation Authorizations. Each category denotes a certain type of investigation performed by the Coroner's Office. Each investigation and category receives a different individualized "case" number which correlates to the investigative log. These numbers are auto generated using an Excel spreadsheet when printed. The unique investigative number is then entered into our data management software system, "CaseManager Forensic Workspace".

Regarding the issue with automatic invoice numbering system, currently, all invoice numbers are manually assigned, logged and recorded to correspond to the investigative case number. At this point, "CaseManager" can not auto generate individualized invoice numbers. We will consult with Quincy Technologies, Inc., to discuss if this option is available and what process would be needed to initiate an invoicing procedure. One concern in using "CaseManager" for invoicing is, can this function be password protected to prevent any/all users from entering this form, to prevent auto generated numbers from being used out of sequence.

Current Status: Current controls, including the use of a pre-numbered cremation authorization log, are adequate for the dollar amount of billings generated.

Payment Application

Condition: The coroner's office invoice directs payment for cremation authorizations and autopsies to the office of fiscal affairs. Payments received are sometimes not identified by invoice number requiring office of fiscal affairs personnel to apply the payments to the oldest outstanding invoice.

Recommendation: The coroner should consider creating a returnable remittance advice as part of the customer invoice. The remittance advice should include reference to the coroner's invoice number. Payments processed should list the coroner's invoice numbers paid on the county form "*Advice of Transmittal*".

Auditee Response: Regarding the issue of Funeral Directors properly marking their checks to correspond to the correct Cremation Authorization number/Decedent's name, we will revise the current cremation invoice to reflect a reminder statement to the Funeral Director to properly mark the check with either the Cremation Authorization number and/or the Decedent's name.

Regarding the issue of proper recording for the purchase of Autopsy Reports, the Coroner's Office, at the beginning of each new month, will mail to the Controller's Office copies of the Report Request Log from the previous month, listing who requested to purchase reports, copies of the request letter and checks verifying payment and the correct amount. Upon receiving these copies, the Controller's Office will be able to match the request, amount paid to the Advice of Transmittals located in the Office of Fiscal Affairs.

Current Status: Current controls, including the use of quarterly statements mailed by the fiscal office, are adequate.

Independent Review of Report Request Revenue

Condition: Adequate internal control requires adequate separation of duties. In the coroner's office this means no one individual should perform the entire cycle of tasks associated with revenue recognition. Currently, the coroner's office secretary II opens the mail, stamps the check "for deposit only", logs the requests, obtains and prepares the requested reports, prepares the customer's mailing including producing the Case Manager system invoice (as a receipt), prepares the *Advice of Transmittal* for office of fiscal affairs revenue processing and maintains the files for the office. Poor separation of duties could result in financial loss without the knowledge of coroner's office management.

Recommendation: Ideally, two people should open the mail and an individual not involved in the revenue recognition process should be assigned to log the checks received in the mail. The log of checks should be compared, by a supervisor, to the *Advice of Transmittal* sent to the office of fiscal affairs. Realistically, there is only one office support staff person making separation difficult. We suggest you consider having a supervisor sign the *Advice of Transmittal* prior to sending it to the office of fiscal affairs. The supervisor's signature should represent that the documents as requested are complete, that an invoice (receipt) was prepared for the customer and that check copies and log of report request entries match. It may also be appropriate to cross-train one or more of the coroner's staff in case of prolonged absence by the office secretary.

Auditee Response: You are correct in saying: one person receives and processes the mail. This same staff member prepares and processes the checks and Advice of Transmittals. To rectify this procedure, the staff member will continue to process the checks and Advice of Transmittals but the Coroner or supervisor will review the completed paperwork and initial each Transmittal, then forward the completed paperwork to the Office of Fiscal Affairs.

Current Status: Duties have been adequately segregated.




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SCOTT M. GRIM, D-ABMDI
CORONER

PAUL R. ZONDLO
CHIEF DEPUTY CORONER

TO: Thomas Slonaker, County Controller
FROM: Scott M. Grim, D-ABMDI, Coroner 
SUBJECT: Internal Audit of the Coroner's Office
DATE: June 2, 2009

I want to thank you and Tom Schweyer for conducting the Internal Audit for the Coroner's Office. Mr. Schweyer was quite professional and extremely thorough during this process.

The goal of any audit is to detect any deficiencies that maybe occurring in the operation. I was particularly pleased to find out that the procedures we have in place currently meets the standards of the Controller's Office in accordance with the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors.

Please do not hesitate to contact me if you would have any questions or concerns.



Accredited by the International Association of Coroners and Medical Examiners



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