

Independent Accountants' Report on Applying Agreed-Upon Procedures

Joanne Phillips, Controller
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Controller of the County of Delaware ("County") for purposes of evaluating internal controls associated with certain functions of the Register of Wills Office on procedures as described below for the period January 1, 2017 through December 31, 2017. The County of Delaware management is responsible for procedures listed from January 1, 2017 through December 31, 2017. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Inquire as to the types of controls surrounding cash receipts for inheritance tax payments collected in the Register of Wills; and inspect a sample of 25 cash receipts for each source of funds identified.

We inquired as to the types of controls surrounding cash receipts for inheritance tax payments collected by the Register of Wills and inspected a sample of 25 cash receipts with the following exceptions identified:

- **The signature on the Treasury report observed when tracing the inheritance tax payment commission earned and deposited into the County of Delaware operating account did not contain an ink signature from the Treasurer, the signature was printed onto the Treasury report sheet.**
- **Inheritance tax commission payments to the County for the following months were not processed timely.**
 - **January 2017 inheritance tax commission was paid to the County in March 2017.**
 - **March through May 2017 inheritance tax commission was paid to the County in July 2017.**
 - **July and August 2017 inheritance tax commission was paid to the County in October 2017.**
 - **September 2017 inheritance tax commission was paid to the County in November 2017.**

2. Inquire as to the types of controls surrounding cash receipts of Marriage Licenses collected in the Register of Wills; and inspect a sample of 25 cash receipts for each source of funds identified.

We inquired as to the types of controls surrounding cash receipts for marriage licenses collected by the Register of Wills and inspected a sample of 25 cash receipts with the following exceptions identified:

- **The signature on the Treasury report observed when tracing the marriage licenses net revenue earned and deposited into the County of Delaware operating account did not contain an ink signature from the Treasurer, the signature was printed onto the Treasury report sheet.**

 - **During the period January 2017 - November 2017 the control surrounding the monthly payment of marriage license revenue to the County of Delaware failed to operate and no payments were made. Upon discussion with the Chief Deputy of Register of Wills, this was an oversight on the part of the Register of Wills office. We observed that on April 13, 2018 a recovery payment was made to the County of Delaware in the amount of \$37,531.25 for net marriage revenue for the unpaid period January 2017-November 2017. The payment for December net marriage license revenue was processed timely.**
3. Inquire as to the types of controls surrounding cash receipts for Orphans Court collected in the Register Wills; and inspect a sample of 25 cash receipts for each source of funds identified.

We inquired as to the types of controls surrounding cash receipts for Orphans Court collected by the Register of Wills and inspected a sample of 25 with the following exceptions identified:

- **The signature on the Treasury report observed when tracing the Orphans Court net revenue earned and deposited into the County of Delaware operating account did not contain an ink signature from the Treasurer, the signature was printed onto the Treasury report sheet.**

- **Orphan's Court payments to the County of Delaware for the following months were not processed timely.**
 - **January 2017 net Orphans Court revenue was paid to the County in March 2017**

 - **March through May 2017 net Orphans Court revenue was paid to the County in July 2017.**

 - **July and August 2017 net Orphans Court revenue was paid to the County in October 2017.**

 - **September 2017 net Orphans Court revenue was paid to the County in November 2017**

4. Inquire as to the types of controls surrounding cash disbursements requested by the Register of Wills; and inspect a sample of 25 cash disbursements.

We inquired as to the types of controls surrounding cash disbursements requested by the Register of Wills and inspected a sample of 25 disbursement. In doing so, we agreed the disbursement to the underlying invoice, check request, and purchase order as applicable, observed proper approval, and traced the disbursement to the general ledger with no exceptions identified.

However, we did find it notable to report that there are checks processed out of the Register of Wills office, signed by the Register of Wills, and paid out of Register of Wills' cash accounts. These checks are processed outside of the County Controller's office. The payments processed in the Register of Wills office are to the PA Department of Revenue, the County of Delaware, and occasionally to refund escrow payments. Any payments related to the operations of the Register of Wills office are processed via check request to the Controller's office. Only the Register of Wills, Jennifer Holsten Maddaloni, Esquire, during 2017, was authorized to sign checks processed out of the Register of Wills office.

5. Obtain copies of the bank reconciliation for the Register of Wills cash accounts; and inspect a sample of 4 months of reconciliations.

We obtained an understanding of the reconciliation process of the Register of Wills cash accounts, listed in procedure 7 below, and inspected a sample of 4 months of reconciliations with the following exceptions identified:

- **The Register of Wills cash accounts, see Step 7a below, are not recorded to the general ledger of the County of Delaware; nor, is a general ledger system utilized in the Register of Wills office. Cash activity is accounted for on an excel spreadsheet "Bank Book". The "Bank Book" is utilized as a substitute for the general ledger in the monthly reconciliations performed by the Register of Wills.**
- **Documentation of preparer, reviewer, and date complete is not maintained on monthly cash reconciliations; therefore, we could not determine that the reconciliation occurred on a timely basis.**

The following information is considered notable, but does not constitute an exception.

- **The Inheritance tax account is not reconciled. The account is the property of the PA Department of Revenue and is swept of funds daily by the PA Department of Revenue.**
- **There are three bond deposit escrow accounts from the Orphan's Court with a total value of \$210 which are not reconciled. The accounts are reviewed periodically to ensure there is no change in balance or activity.**

6. Inquire as to the types of controls surrounding the receipts, monitoring, and reporting of Inheritance Tax Payments to the PA Department of Revenue; and inspect a sample of 25 payments

We inquired as to the types of controls surrounding the receipts, monitoring, and reporting of Inheritance Tax payments to the PA Department of Revenue; and inspected a sample of 25 with no exceptions identified.

7. Obtain the following for each financial institution with whom the Register of Wills has a relationship:

- a. Listing of all active bank accounts

- We obtained the following listing of active bank accounts for the period January 1, 2017 through December 31, 2017:

- Register of Wills & Clerk of Orphans' Court Division
Operating Account # [REDACTED]
United Savings Bank
- Register of Wills & Clerk Orphans' Court Division
JCS & Marriage License Account # [REDACTED]
United Savings Bank
- PA Department of Revenue, Delaware County Register of Wills
Delaware County Inheritance Tax Account # [REDACTED]
United Savings Bank
- Louis M.E. Ezzie Security Deposit for Files of Morris M. Ezzie and Ruth W. Ezzie c/o Clerk of Orphan's Court Division of Delaware County, PA
Account # [REDACTED]
United Savings Bank
- The Bond Deposit of Stephen Carroll, Esquire for the Estate of Leonard J. Moskowitz, Deceased
c/o Clerk of Orphan's Court Division of Delaware County, PA
Account # [REDACTED]
United Savings Bank
- Stephen Carroll Bond Deposit for the Estate of Brandon Drabkoski, An Adult; Estate of Brittany Drabkoski, An Adult
Account # [REDACTED]
United Savings Bank

- b. Listing of all bank accounts closed within the last 2 years

- We obtained the following listing of all bank accounts closed within the last 2 years from the Register of Wills:

- Register of Wills & Clerk of Orphans' Court Division
Operating Account # [REDACTED]
The Bryn Mawr Trust Company
- Register of Wills & Clerk of Orphans' Court Division
JCS & Marriage License Account # [REDACTED]
The Bryn Mawr Trust Company
- PA Department of Revenue, Delaware County Register of Wills
Delaware County Inheritance Tax Account # [REDACTED]
The Bryn Mawr Trust Company
- Louis M.E. Ezzie Security Deposit for Files of Morris M. Ezzie and Ruth W. Ezzie c/o Clerk of Orphan's Court Division of Delaware County, PA
Account #1531797

- The Bryn Mawr Trust Company
 - The Bond Deposit of Stephen Carroll, Esquire for the Estate of Leonard J. Moskowitz, Deceased
c/o Clerk of Orphan's Court Division of Delaware County, PA
Account # [REDACTED]
 - The Bryn Mawr Trust Company
 - Stephen Carroll Bond Deposit for the Estate of Brandon Drabkoski, An Adult; Estate of Brittany Drabkoski, An Adult
Account # [REDACTED]
 - The Bryn Mawr Trust Company
- c. Listing of all authorized check signors for each account

We obtained a listing of all authorized check signors noting the Register of Wills is the only authorized check signer on the accounts. For the period January 1, 2017 through December 31, 2017, the Authorized signer was Jennifer Holsten Maddaloni, Esquire. Effective January 1, 2018 the authorized signer was Mary Walk, Esquire.

8. Obtain the following for all credit cards institutions with whom the Register of Wills has a relationship:
 - a. A list of authorized users
 - b. Credit Card limit
 - c. How long the account has been active

Not Applicable – We inquired of the Register of Wills, Mary Walk, and the Chief Deputy Register of Wills, Kristi Dick, who stated the Register of Wills staff did not have any credit cards during the period of January 1, 2017 through December 31, 2017.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on procedures listed above from January 1, 2017 through December 31, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Controller and Register of Wills of the County of Delaware and is not intended to be, and should not be, used by anyone other than those specified parties.

Philadelphia, Pennsylvania
Date of Report