

COMPLIANCE AUDIT

Recorder of Deeds/
Register of Wills/
Clerk of Orphans' Court
Armstrong County, Pennsylvania
For the Period
January 1, 2020 to December 31, 2023

June 2025



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have conducted a compliance audit of the Recorder of Deeds/Register of Wills/Clerk of Orphans' Court, Armstrong County, Pennsylvania (County Officer), for the period January 1, 2020 to December 31, 2023, pursuant to the requirements of Sections 401(b) and 401(d) of *The Fiscal Code*, 72 P.S. § 401(b) and § 401(d).

The objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Department of Revenue to allow the Department of Revenue to state and settle the County Officer's accounts. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The County Officer is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The County Officer is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

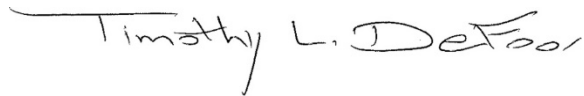
Based on our audit procedures, we conclude that, for the period January 1, 2020 to December 31, 2023, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report.

- Inadequate Internal Controls Over The Bank Account.

This report includes summaries of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the County Officer's receipts and disbursements from the Pennsylvania Department of Revenue, which obtains data from each of the Commonwealth's recorder of deeds, register of wills, and clerk of orphans' court offices, and used the data to create the summaries in the format required by the Department of Revenue. We also evaluated the accuracy of the data as part of our audit to conclude on the County Officer's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Proposed Audit Adjustments* line of the summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted. This report is not suitable for any other purposes.

The contents of this report were discussed with the County Officer's management. We appreciate the courtesy extended to us by the Armstrong County Recorder of Deeds/Register of Wills/Clerk of Orphans' Court during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first name.

Timothy L. DeFoor
Auditor General
May 23, 2025

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RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

The Department of Auditor General is mandated by Article IV, Section 401(b) and (d) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), to audit the accounts of each county officer to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted.

Recorder of Deeds receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes and fees:

- The Pennsylvania Realty Transfer Tax is a documentary stamp tax of 1 percent on the value of the interest in real property transferred by deed.
- Writ Taxes of \$.50 imposed on various types of documents and a \$10 tax on notary public commissions processed through the office.
- Judicial Computer System/Access To Justice Fees of \$40.25 fee imposed for each filing of deeds in any form, mortgages, mortgage assignments, mortgage releases, mortgage satisfaction pieces, installment sales agreements, leases for a term of 30 years or longer, and easements.

Register of Wills receipts consist of monies collected on behalf of the Commonwealth less commissions on these monies. These include monies collected for the following taxes and fees:

- Inheritance Taxes filed with the Register of Wills.
- Miscellaneous Fees represent collections for liens and citation filing fees.
- Judicial Computer System/Access To Justice Fees represent a \$40.25 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

For the purpose of reporting the collection of Judicial Computer System/Access To Justice Fees to the Department of Revenue, the office combined the Register of Wills and Clerk of Orphans' Court collections and reported them on the Clerk of Orphans' Court's monthly report. Therefore, the amount reported on the Clerk of Orphans' Court's statement of receipts and disbursements includes the fees collected for the office of the Register of Wills.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Clerk of Orphans' Court receipts consist of monies collected on behalf of the Commonwealth. These include monies collected for the following taxes, surcharges, and fees:

- Marriage License Tax of \$.50 on all marriage licenses filed with the Clerk of Orphans' Court.
- Marriage License Application Surcharge of \$10 imposed on all marriage license applications.
- Marriage License Declaration Fees of \$13 imposed for the issuance of a marriage license or declaration of which the Commonwealth's portion \$10.
- Judicial Computer System/Access To Justice Fees represent a \$40.25 fee imposed on all petitions for grant of letters, and first filings in petitions concerning adoptions, incompetents' estates, minors' estates, and inter vivos trusts.

Total disbursements for the audit period are comprised as follows:

Recorder Of Deeds

Realty Transfer Taxes

Deposits into the Department of Revenue's
cash management account

\$ 5,989,042

The Recorder of Deeds participates in the Department of Revenue's cash management system for Realty Transfer Taxes. Under this system, the "Agent" deposits Realty Transfer Tax collections to a local account approved and established in the name of the Department of Revenue, thereby eliminating the need for the agent to issue a check to disburse these taxes. This balance reflects a summary of monthly transmittal reports as provided by the Department of Revenue.

This balance does not reflect commissions of \$59,894 for Realty Transfer Taxes that were paid to the County by the Department of Revenue which are not reflected in the statement.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Writ Taxes And Judicial Computer System/Access To Justice Fees

Recorder of Deeds checks issued to:

Department of Revenue	\$ 1,005,763
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This balance reflects a summary of monthly transmittal reports provided by the Department of Revenue.

Register Of Wills

Inheritance Taxes

Deposits into the Department of Revenue's cash management account	\$ 22,690,048
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The Register of Wills participates in the Department of Revenue's cash management system for Inheritance Taxes. Under this system, the "Agent" deposits Inheritance Tax collections to a local account approved and established in the name of the Department of Revenue, thereby eliminating the need for the agent to issue a check to disburse these taxes. This balance reflects a summary of monthly transmittal reports as provided by the Department of Revenue.

This balance does not reflect commissions of \$189,450 for Inheritance Taxes that were paid to the County by the Department of Revenue which are not reflected in the statement.

Clerk Of Orphans' Court

Clerk of Orphans' Court checks issued to:

Department of Revenue	\$ 82,758
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This balance reflects a summary of monthly transmittal reports provided by the Department of Revenue.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Marianne Hileman served as Recorder of Deeds/Register of Wills/Clerk of Orphans' Court during the period January 1, 2020 to September 6, 2023.

Lori A. Hirst served as Acting Recorder of Deeds/Register of Wills/Clerk of Orphans' Court during the period September 7, 2023 to December 31, 2023.

The summaries of receipts and disbursements provide a summary of receipts and disbursements by category. The categories and the amounts of taxes, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The summaries were prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

RECORDER OF DEEDS
ARMSTRONG COUNTY
REALTY TRANSFER TAXES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Realty Transfer Taxes	\$ 5,989,354
Disbursements to Commonwealth	<u>(5,989,042)</u>
Balance due Commonwealth (County) per Department of Revenue data	312
Proposed Audit Adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ 312</u></u>

RECORDER OF DEEDS
ARMSTRONG COUNTY
WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Writ Taxes	\$ 18,951
Judicial Computer System/Access To Justice Fees	<u>987,381</u>
Total Receipts	1,006,332
Commissions	<u>(569)</u>
Net Receipts	1,005,763
Disbursements to Commonwealth	<u>(1,005,763)</u>
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed Audit Adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ -</u></u>

REGISTER OF WILLS
ARMSTRONG COUNTY
INHERITANCE TAXES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Inheritance Taxes	\$ 22,690,048
Disbursements and credits to Commonwealth	<u>(22,690,048)</u>
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed Audit Adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ -</u></u>

CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Receipts:

Marriage License Taxes	\$ 661
Marriage License Application Surcharges	13,220
Marriage License Declaration Fees	13,220
Judicial Computer System/Access To Justice Fees	<u>55,657</u>
Total Receipts	82,758
Disbursements to Commonwealth	<u>(82,758)</u>
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed Audit Adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ -</u></u>

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding - Inadequate Internal Controls Over The Bank Account

Our audit disclosed an \$11,666.10 difference between the adjusted bank balance and the adjusted book balance of the checking account that is primarily used to hold moneys that were collected on behalf of the Commonwealth and other parties and are to be remitted to the Commonwealth or other parties. This unknown difference is after taking into consideration outstanding checks and other known adjustments.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled monthly and any discrepancies are immediately investigated and resolved.

Without a good system of internal controls over the bank account, the possibility of funds being lost or misappropriated increases significantly.

The officeholder stated that they could not identify the difference between the adjusted bank balance and the adjusted book balance.

Recommendation

We recommend that the office reconcile its accounting records to the bank balance monthly and investigate and resolve any discrepancies.

Management's Response

No formal response offered at this time.

Auditors Conclusion

During our next audit, we will determine if the office complied with our recommendation.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
ARMSTRONG COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

This report was initially distributed to:

The Honorable Pat Browne
Secretary
Pennsylvania Department of Revenue

The Honorable Andrea Tuominen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania Courts
Administrative Office of Pennsylvania Courts

The Honorable Lori A. Hirst
Recorder of Deeds/Register of Wills/ Clerk of Orphans' Court

The Honorable Tammie Gaff
Controller

The Honorable John Strate
Chairman of the Board of Commissioners

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.