COMPLIANCE AUDIT

Recorder of Deeds/ Register of Wills/ Clerk of Orphans' Court

Northumberland County, Pennsylvania

For the Period
January 1, 2021 to December 31, 2024

November 2025

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

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, Northumberland County, Pennsylvania (County Office), for the period January 1, 2021 to December 31, 2024, 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 Office'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 Office 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 Office 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, 2021 to December 31, 2024, the Office, 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 the report:

- Inadequate Internal Controls Over the Bank Account - Recurring.

This report includes summaries of the Office's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the Office'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 Office'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 Office's management. We appreciate the courtesy extended to us by the Northumberland 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.

Timothy L. DeFoor

Timothy L. DeFoor
Auditor General
October 1, 2025

CONTENTS

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
NORTHUMBERLAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

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.

- 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
NORTHUMBERLAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

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.

Commissions

Acting in the capacity of an agent for the Commonwealth, the county office is paid a commission for collection of Inheritance Taxes. Effective January 1, 1988, the commission rate is 4.25 percent of $1.00 to $200,000.00 collected; 1.75 percent of $200,000.01 to $1,000,000.00 collected; and .5 percent of all collections in excess of $1,000,000.00.

Total disbursements for the audit period are as follows:

Recorder Of Deeds

Realty Transfer Taxes

Deposits into the Department of Revenue's cash management account	$ 11,107,964

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 provided by the Department of Revenue.

This balance does not reflect commissions of $111,079 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
NORTHUMBERLAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Writ Taxes And Judicial Computer System/Access To Justice Fees

Recorder of Deeds checks issued to:

Department of Revenue	$ 1,443,164

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	$ 33,160,234
Credits issued by the Department of Revenue	3,488
Total	$ 33,163,722

This balance does not reflect commissions of $235,657 for Inheritance Taxes that were paid to the County by the Department of Revenue which are not reflected in the statement.

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.

Clerk Of Orphans' Court

Clerk of Orphans' Court checks issued to:

Department of Revenue	$ 126,876

This balance reflects a summary of monthly transmittal reports as provided by the Department of Revenue.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
NORTHUMBERLAND COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Christina A. Mertz served as Recorder of Deeds/Register of Wills/Clerk of Orphans' Court during the period January 1, 2021 to December 31, 2024.

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
NORTHUMBERLAND COUNTY
REALTY TRANSFER TAXES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Receipts:		
Realty Transfer Taxes	$	11,107,914
Disbursements to Commonwealth		(11,107,964)
Balance due Commonwealth (County) per Department of Revenue data		(50)
Proposed audit adjustments		-
Adjusted balance due Commonwealth (County) for the period January 1, 2021 to December 31, 2024	$	(50)

RECORDER OF DEEDS
NORTHUMBERLAND COUNTY
WRIT TAXES AND JUDICIAL COMPUTER SYSTEM/ACCESS TO JUSTICE FEES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Receipts:	
Writ Taxes	$ 23,334
Judicial Computer System/Access To Justice Fees	1,420,530
Total Receipts	1,443,864
Commissions	(700)
Net Receipts	1,443,164
Disbursements to Commonwealth	(1,443,164)
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed audit adjustments	-
Adjusted balance due Commonwealth (County) for the period January 1, 2021 to December 31, 2024	$ -

REGISTER OF WILLS
NORTHUMBERLAND COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Receipts:	
Inheritance Taxes	$ 33,163,722
Disbursements and credits to Commonwealth	(33,163,722)
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed audit adjustments	-
Adjusted balance due Commonwealth (County) for the period January 1, 2021 to December 31, 2024	$ -

CLERK OF ORPHANS' COURT
NORTHUMBERLAND COUNTY
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

Receipts:	
Marriage License Taxes	$ 768
Marriage License Application Surcharges	15,360
Marriage License Declaration Fees	15,360
Judicial Computer System/Access To Justice Fees	95,388
Total Receipts	126,876
Disbursements to Commonwealth	(126,876)
Balance due Commonwealth (County) per Department of Revenue data	-
Proposed audit adjustments	-
Adjusted balance due Commonwealth (County) for the period January 1, 2021 to December 31, 2024	$ -

Finding - Inadequate Internal Controls Over the Bank Account - Recurring

We cited the issue of inadequate internal controls over the bank account in the prior audit for the period January 1, 2017 to December 31, 2020. Our current audit found that the office did not correct the issue.

Our audit of the accounting records for the office disclosed the following deficiencies in the internal controls over the bank account:

- Bank reconciliations were not prepared.

- There was no accountability over undisbursed funds, as there were no corresponding liability reports identifying the parties to whom the funds were owed.

A good system of internal controls ensures that:

- Bank statements are reconciled to the book balance on a monthly basis and any discrepancies are immediately investigated and resolved.

- The ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the bank account of the office is essentially an escrow account on behalf of the Commonwealth, County, and other participating entities, all available funds on hand should equal unpaid obligations.

The office stated that they continue to have the same internal controls over their bank accounts because that is how they have always done it. Additionally, the office stated that they make sure the balance from the office account is equal to zero at the end of each month after they transfer the obligations to the correct account.

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

Recommendation

We recommend that the office establish and implement an adequate system of internal controls over the bank account as noted above.

Finding - Inadequate Internal Controls Over the Bank Account - Recurring (Continued)

Management Response

The county office responded as follows:

> While I agree that I don't reconcile according to the way you would like to see, I do reconcile the way I was trained as my predecessor taught me. I did show this to my auditors, and they understood my reconciliation process.

Auditor's Conclusion

We appreciate the office's concerns regarding the reconciling of the bank account, which has been noted as a recurring issue. Maintaining timely and accurate bank reconciliations is a fundamental internal control and a key element of effective financial management. Bank reconciliations are essential to ensure the integrity of financial records and to provide necessary documentation. During our next audit, we will determine if the office complied with our recommendation.

Summary Of Prior Audit Recommendations

During our prior audit, we recommended that the office:

- Establish and implement an adequate system of internal controls over the bank account. We further recommended that good internal controls require that all monies collected should be deposited in the bank at the end of every day.

During our current audit, we noted that the office did not comply with our recommendation to establish and implement an adequate system of internal controls over the bank account. Please see the current year finding for additional information.

RECORDER OF DEEDS/REGISTER OF WILLS/
CLERK OF ORPHANS' COURT
NORTHUMBERLAND COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2021 TO DECEMBER 31, 2024

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 Christina A. Mertz
Recorder of Deeds/Register of Wills/ Clerk of Orphans' Court

The Honorable Chris Grayson
Controller

The Honorable Samuel J. Schiccatano
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.