

COMPLIANCE AUDIT

Recorder of Deeds/ Register of Wills Pike County, Pennsylvania For the Period January 1, 2020 to December 31, 2023

August 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, Pike County, Pennsylvania (Office), 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 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.

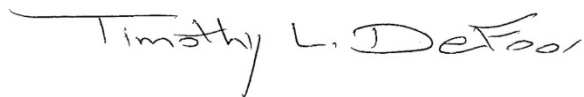
Based on our audit procedures, we conclude that, for the period January 1, 2020 to December 31, 2023, the Office, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed,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

- Inadequate Accountability Over Funds Held In Escrow.

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 and register of wills 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 Office 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 long horizontal line extending from the start of the name.

Timothy L. DeFoor
Auditor General
July 14, 2025

CONTENTS

	<u>Page</u>
Background	1
Summaries Of Receipts And Disbursements:	
Recorder Of Deeds	
Realty Transfer Taxes	4
Writ Taxes And Judicial Computer System/Access To Justice Fees	5
Register Of Wills	6
Finding And Recommendation:	
Finding - Inadequate Accountability Over Funds Held In Escrow	7
Summary of Prior Audit Recommendations	9
Report Distribution	10

RECORDER OF DEEDS/REGISTER OF WILLS
PIKE 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 office 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 moneys collected on behalf of the Commonwealth. These include moneys 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 represent a \$.50 tax 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 represent a \$40.25 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 moneys collected on behalf of the Commonwealth less commissions on these moneys. These include moneys collected for the following taxes and fees:

- Inheritance Taxes represent inheritance taxes filed with the Register of Wills.
- 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 as follows:

Recorder Of Deeds

Realty Transfer Taxes

Deposits into the Department of Revenue's
cash management account

\$ 26,426,740

RECORDER OF DEEDS/REGISTER OF WILLS
PIKE COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

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. The balance does not reflect the adjustments disclosed by our audit.

Writ Taxes And Judicial Computer System/Access To Justice Fees

Recorder of Deeds checks issued to:

Department of Revenue	\$ 2,087,629
-----------------------	--------------

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	\$ 20,219,676
--	---------------

Credits issued by the Department of Revenue	9,718
---	-------

Checks issued to the Department of Revenue for Judicial Computer System/Access To Justice Fees	44,560
---	--------

Total	<u>\$ 20,273,954</u>
-------	----------------------

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 provided by the Department of Revenue. The balance does not reflect the adjustments disclosed by our audit.

This balance does not reflect commissions of \$171,244 for Inheritance 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
PIKE COUNTY
BACKGROUND
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Sharon Schroeder served as Recorder of Deeds/Register of Wills during the period January 1, 2020 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 and fees 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.

Proposed Audit Adjustment - Realty Transfer Tax

The \$139,707 audit adjustment represents \$120,855 that was erroneously deposited into the realty transfer tax account in November 2020 and was then transferred into the recorder of deeds fee account in December of 2020. The remaining \$18,852 was erroneously deposited into the inheritance tax account in July 2021 and then transferred to the realty transfer tax account in November 2021.

Proposed Audit Adjustment - Inheritance Tax

The \$10,598 audit adjustment represents chargeback fees, deposit errors and other miscellaneous adjustments made in January and August of 2022 and July, September and October of 2023.

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

Receipts:

Realty Transfer Taxes	\$ 26,551,685
Commissions	<u>(265,517)</u>
Net Receipts	26,286,168
Disbursements to Commonwealth	<u>(26,426,740)</u>
Balance due Commonwealth (County) per Department of Revenue data	(140,572)
Proposed audit adjustments	<u>139,707</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ (865)</u></u>

RECORDER OF DEEDS
PIKE 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	\$ 28,677
Judicial Computer System/Access To Justice Fees	<u>2,059,512</u>
Total Receipts	2,088,189
Commissions	<u>(860)</u>
Net Receipts	2,087,329
Disbursements to Commonwealth	<u>(2,087,629)</u>
Balance due Commonwealth (County) per Department of Revenue data	(300)
Proposed audit adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ (300)</u></u>

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

Receipts:

Inheritance Taxes	\$ 20,237,537
Judicial Computer System/Access To Justice Fees	<u>44,560</u>
Total Receipts	20,282,097
Disbursements and credits to Commonwealth	<u>(20,273,954)</u>
Balance due Commonwealth (County) per Department of Revenue data	8,143
Proposed audit adjustments	<u>(10,598)</u>
Adjusted balance due Commonwealth (County) for the period January 1, 2020 to December 31, 2023	<u><u>\$ (2,455)</u></u>

RECORDER OF DEEDS/
REGISTER OF WILLS
FINDING AND RECOMMENDATION
PIKE COUNTY
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding - Inadequate Accountability Over Funds Held In Escrow

Our audit disclosed that there was no accountability over undisbursed funds.

- There was an adjusted bank balance of \$569,338 in the Recorder of Deeds account as of December 31, 2023, without a corresponding liabilities report indicating to whom the moneys were due.
- There was an adjusted bank balance of \$9,280 in the Register of Wills account as of December 31, 2023, without a corresponding liabilities report indicating to whom the moneys were due.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account 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 could not provide a liabilities report. Currently, they are unaware of how to properly generate a liabilities report using the county's current software.

Without a good system of internal controls over funds held in escrow, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We recommend that the office attempt to identify all existing liabilities associated with the office bank accounts and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

Management's Response

The Office responded as follows:

An exit interview was conducted May 13, 2025 regarding the Recorder of Deeds/Register of Wills account, which showed an overage. No determination was made during the interview, and no explanation of specific amount was provided. Therefore, in the absence of further clarification. I will remit the fund in question to the county.

RECORDER OF DEEDS/
REGISTER OF WILLS
FINDING AND RECOMMENDATION
PIKE COUNTY
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Finding - Inadequate Accountability Over Funds Held In Escrow (Continued)

Auditor's Conclusion

We appreciate the office's efforts to correct these issues. During our next audit, we will determine if the office complied with our recommendation.

RECORDER OF DEEDS/
REGISTER OF WILLS
SUMMARY OF PRIOR AUDIT RECOMMENDATIONS
PIKE COUNTY
FOR THE PERIOD
JANUARY 1, 2020 TO DECEMBER 31, 2023

Summary of Prior Audit Recommendations

During our prior audit, we recommended that the office:

- Establish procedures to periodically generate monitoring reports that include the date, time, reason for change(s), change(s) made, and who made the change(s). The office should routinely review these reports to determine that access was appropriate and that data was not improperly altered.
- Take prudent steps to properly secure production servers from unauthorized access using the remote access software installed on the system.
- Negotiate an updated contract and software maintenance agreement with the Vendor.
- Maintain an updated contract so as to provide appropriate legal recourse in the event of disputes with the Vendor.

During our current audit, we noted that the office complied with our recommendations.

RECORDER OF DEEDS/
REGISTER OF WILLS
PIKE 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 Touminen
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania Courts
Administrative Office of Pennsylvania Courts

The Honorable Sharon Schroeder
Recorder of Deeds/Register of Wills

The Honorable Stacy Garrity
Pennsylvania State Treasurer

The Honorable Matthew M. Osterberg
Chairperson 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.