



**County of Chester
Office of the Controller
Internal Audit Department**

**Audit Report
For the Year Ended
December 31, 2011**

*Register of Wills
Clerk of the Orphans' Court*

Annual Financial Statement
Audit

Valentino F. DiGiorgio, III, Controller

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
FOR THE YEAR ENDED DECEMBER 31, 2011

Terri Clark, Register of Wills/Clerk of the Orphans' Court
On Behalf of Paula Gowen
Register of Wills/Clerk of the Orphans' Court
Chester County Justice Center
201 W. Market Street, Suite 2200
West Chester, PA 19380

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
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COUNTY OF CHESTER OFFICE OF THE CONTROLLER

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VALENTINO F. DIGIORGIO, III
Controller

February 15, 2012

Terri Clark, Register of Wills/Clerk of the Orphans' Court
On Behalf of Paula Gowen
Chester County Justice Center
201 W. Market Street, Suite 2200
West Chester, PA 19380

Internal Audit has audited the accounts of the *Register of Wills/Clerk of the Orphans' Court (Register)* as of December 31, 2011, and has compiled the attached Statement of Assets and Liabilities and the related Statements of Cash Receipts, Disbursements, and Cash Balances for the year then ended. It is Internal Audit's responsibility to annually audit the accounts of any office receiving money for the use of the Commonwealth of Pennsylvania and to report the results of such audits to the Chester County Commissioners and the Chester County Court of Common Pleas. It is management's responsibility to maintain, update, and reconcile these accounts on a continuous basis.

Our audit was conducted in accordance with generally accepted auditing standards and the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit in a manner that will provide *reasonable assurance* that the accounts are free of material misstatement and that amounts are properly supported and approved.

As described in Note 1, the accompanying financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, the statements referred to above are not intended to present the financial position and results of operations of the *Register* in conformity with generally accepted accounting principles.

In our opinion, the accounts of the *Register* are stated fairly as of December 31, 2011. Consequently, the corresponding financial statements prepared by Internal Audit present fairly, in all material respects, the assets and liabilities of the *Register* as of December 31, 2011, and the cash receipts, disbursements, and cash balances for the year then ended.

In accordance with Government Auditing Standards, Internal Audit has also issued a report dated February 15, 2012, on our evaluation of the *Register's* internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, policies and/or procedures. That report is an integral part of an audit performed in accordance with Government Auditing Standards and is to be read in conjunction with this report in considering the results of our audit.

Valentino F. DiGiorgio, III
Controller

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2011

ASSETS

Cash – Operating	\$ 84,771
Cash – Court Ordered Escrow	9,076
Cash – Attorney for Minor	764
Cash – Counseling Fees	27,841
Cash – Change Fund	<u>100</u>
 Total Assets	 <u>\$ 122,552</u>

LIABILITIES

County of Chester-Fees	\$ 78,932
County of Chester-Interest	487
Adoption Attorney Fees	750
Adoption Counseling Fees	27,390
Commonwealth of Pennsylvania-Marriage Fees	2,316
Commonwealth of Pennsylvania-Computer Fees	3,501
Court Ordered Escrow	9,076
County of Chester- Change Fund	<u>100</u>
 Total Liabilities	 <u>\$ 122,552</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCE-
OPERATING ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2011

Receipts:		
County of Chester – Fees		\$ 1,228,570
Commonwealth – Marriage License and Computer Fees		91,554
Interest		<u>177</u>
Total Receipts		<u>1,320,301</u>
Disbursements:		
County of Chester – Fees		1,225,713
Commonwealth – Marriage License and Computer Fees		91,335
Interest		<u>201</u>
Total Disbursements		<u>1,317,249</u>
Cash Increase		3,052
Beginning Balance		<u>81,719</u>
Ending Balance		<u>\$ 84,771</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CHESTER

REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCE-
COURT ORDERED ESCROW ACCOUNT**

FOR THE YEAR ENDED DECEMBER 31, 2011

Receipts:		
Court Ordered Escrow		\$ 9,076
Interest		<u>34</u>
Total Receipts		<u>9,110</u>
Disbursements:		
Court Ordered Escrow		26,221
Total Disbursements		<u>26,221</u>
Cash (Decrease)		(17,111)
Beginning Balance		<u>26,187</u>
Ending Balance		<u><u>\$ 9,076</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCE-
ATTORNEY FOR MINOR ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2011

Receipts:	
Attorney Fees	\$ 2,100
Interest	<u>4</u>
Total Receipts	<u>2,104</u>
Disbursements:	
Attorney Fees	<u>2,400</u>
Total Disbursements	<u>2,400</u>
Cash (Decrease)	(296)
Beginning Balance	<u>1,060</u>
Ending Balance	<u>\$ 764</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCE-
COUNSELING FEES ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2011

Receipts:		
Attorney Fees	\$	1,425
Interest		<u>82</u>
Total Receipts		<u>1,507</u>
Disbursements:		
Total Disbursements		<u>0</u>
Cash Increase		1,507
Beginning Balance		<u>26,334</u>
Ending Balance	\$	<u><u>27,841</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies

Background and Reporting Entity

The *Register* acts as a conduit for the Commonwealth of Pennsylvania, the County of Chester, related political subdivisions, and the citizens it serves. Consequently, the *Register's* cash balance at any point in time represents undisbursed funds to one (or all) of these parties. For financial statement purposes, these undisbursed funds are included as a liability of the *Register*.

The actual operating expenses of the *Register* are paid by the County of Chester. These costs include the salary and wages of office employees, fringe benefits, postage, telephone, office supplies, computer/LAN use, and furniture and equipment. These costs are not included in the audited Statements of Cash Receipts, Disbursements, and Cash Balances.

Basis of Accounting

The books and records of the *Register* are maintained on the cash basis of accounting. Consequently, receipts are recognized when received rather than when assessed or otherwise due, and disbursements are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements do not present the assets, liabilities, receipts, disbursements, and cash balances in accordance with generally accepted accounting principles.

Inheritance Tax

The Commonwealth of Pennsylvania requires the *Register* to collect inheritance taxes on its behalf. The Commonwealth has set up a local bank account in which these monies are to be deposited daily. The bank account is controlled by the Commonwealth. The *Register* does not have withdrawal or check writing authority and does not receive bank statements. Consequently, the taxes collected are not presented in the accompanying Statements of Receipts, Disbursements, and Cash Balances pursuant to generally accepted accounting principles applicable to agency funds.

Note 2 – Elected Official

These financial statements and results of this audit relate to the previous administration-Paula Gowen. Terri Clark, the current Register of Wills/Clerk of the Orphan's Court, took office on January 3, 2012.

Note 3 - Legal Matters

Our audit disclosed no pending litigation involving the *Register*, its current Register of Wills/Clerk of the Orphans' Court (Terri Clark), or her predecessor Paula Gowen for the year ended December 31, 2011.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

In planning our audit of the financial statements of the Register of Wills/Clerk of the Orphans' Court (*Register*) for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the *Register's* internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the *Register's* internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the *Register's* internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all significant deficiencies or material weaknesses have been identified.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the *Register's* financial statements will not be prevented, or detected and corrected on a timely basis.

As part of obtaining reasonable assurance about whether the *Register's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
(continued)**

Our audit disclosed no significant deficiencies or material weaknesses that, in our opinion, pose a significant risk to the *Register* or the County of Chester.

This report is intended for the information of the Chester County Commissioners and the Chester County Court of Common Pleas. This report is, however, a matter of public record, and its distribution is not limited.



Valentino F. DiGiorgio, III
Controller

COUNTY OF CHESTER
REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2011

An exit conference was not warranted for the audit of the Register of Wills/Clerk of Orphans' Court, Register of Wills Terri Clark has accepted the report as presented.