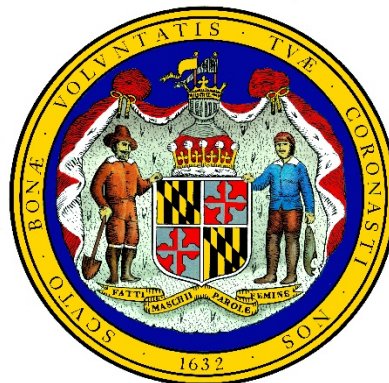


Audit Report

**Office of the Register of Wills
Carroll County, Maryland**

March 2026



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

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Victoria L. Gruber
Executive Director



Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

March 5, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Office of the Register of Wills for Carroll County, Maryland for the period beginning December 13, 2021 and ending October 31, 2025. The Office oversees the administration of decedents' estates within Carroll County and assists individuals who administer estates.

Our audit disclosed that the Office did not perform independent verifications of collections to deposit, did not always deposit collections in a timely manner, and did not segregate collection and accounts receivable duties, as required.

The Office's response to this audit is included as an appendix to this report. We reviewed the response to our finding and related recommendations, and have concluded that the corrective actions identified are sufficient to address all issues.

We wish to acknowledge the cooperation extended to us during the audit by the Office.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Responsibilities and Financial Information

The Office of the Register of Wills is a public office established under the Constitution of Maryland. An office is established in each of the 24 Maryland subdivisions. These offices oversee the administration of decedents' estates within their jurisdictions and provide assistance (such as providing the proper forms) to individuals administering estates. The offices collect inheritance taxes and other fees as provided by law.

Inheritance tax collections (less the commissions earned by an office on those collections) are remitted to the State's General Fund. The fees collected and commissions earned by an office are first used to finance the operating expenses it is responsible for paying directly. Generally, the remaining balance of fees and commissions is periodically remitted to the Comptroller of Maryland to finance other operating expenses (such as payroll) that the Comptroller pays on behalf of the offices. On a collective basis, the offices' fees and commissions that exceed their operating expenses are credited to the General Fund.

According to the records of the Office of Register of Wills for Carroll County, its fiscal year 2025 gross receipts totaled \$5,626,570, which consisted of inheritance tax collections (net of commissions) of \$3,923,108 and fees and commissions of \$1,703,462. As shown in Figure 1 on the following page, the Office's fiscal year 2025 operating expenses totaled \$1,112,605 (primarily salaries and wages), the majority of which represents costs paid directly by the Comptroller, as noted above.

Figure 1
Office of the Register of Wills for Carroll County
Positions, Expenditures, and Funding Source

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	9
Vacant	0
Total	9
Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	\$ 999,917
Operating Expenses	112,688
Total	\$1,112,605
Fiscal Year 2025 Funding Source	
	Funding
Non-Budgeted Fund	\$5,626,570
Total	\$5,626,570

Source: State financial and personnel records

Status of Finding From Preceding Audit Report

Our audit included a review to determine the status of the finding contained in our preceding audit report dated March 23, 2022. See Figure 2 for the results of our review.

Figure 2
Status of Preceding Findings

Preceding Finding	Finding Description	Implementation Status
Finding 1	Deposit verifications were not performed by personnel independent of the collection process, contributing to a lack of accountability over collections.	Repeated (Current Finding 1)

Findings and Recommendations

Cash Receipts

Finding 1

The Office did not perform independent verifications of collections to deposit, did not always deposit collections in a timely manner, and did not segregate collection and accounts receivable duties, as required.

Analysis

The Office did not perform independent verifications of collections to deposit, did not always deposit collections in a timely manner, and did not segregate collection and accounts receivable duties, as required. According to the Office's records, during fiscal year 2025, collections totaled \$5.6 million.

- The Office did not independently verify that all collections were deposited. Specifically, the employee responsible for the verifications was not independent since the employee had access to collections.
- The Office did not always deposit checks timely. Specifically, our test of collections totaling \$3.1 million (based on materiality) for 20 days during November 2024 through August 2025 disclosed that checks totaling \$716,700 were deposited 5 to 18 business days after receipt.
- The Office did not segregate collection and accounts receivable functions. For example, two cashiers with responsibilities for collections could also modify the related accounts receivable records.

As a result of these conditions, errors or other discrepancies could occur without timely detection. The Comptroller of Maryland's *Accounting Policies and Procedures Manual* requires independent verifications of collections to deposit and timely deposit of collections within one working day of receipt. The *Manual* also requires segregation of collections and accounts receivable functions.

A similar condition regarding access to collections by an employee involved in the deposit verification process was noted in our two prior audit reports dating back to May 2018. In its response to the preceding report, the Office agreed that the employee performing the deposit verification would not have access to the collections. However, as noted above, the proposed corrective action was not implemented.

Recommendation 1

We recommend that the Office

- a. ensure that an employee independent of the collection process performs the deposit verifications (repeat),**
- b. deposit all collections in a timely manner, and**
- c. ensure that collections and accounts receivable duties are properly segregated.**

We advised the Office how to achieve the necessary separation of duties using existing personnel.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Office of the Register of Wills for Carroll County, Maryland for the period beginning December 13, 2021 and ending October 31, 2025. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Office's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included cash receipts, disbursements, bank accounts, and administration of estates. We also determined the status of the finding contained in our preceding audit report.

Our audit did not include a review of certain support services (such as human resources, maintenance of accounting records, and related fiscal functions) provided to the Office by the Comptroller of Maryland – Office of the Comptroller. These support services are included within the scope of our audits of the Office of the Comptroller.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our test of transactions and other auditing

procedures were generally focused on the transactions occurring during our audit period of December 13, 2021 to October 31, 2025 but may include transactions before or after this period, as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of the Office's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during this audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

The Office's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to the Office, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of

internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes a finding relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect the Office's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. This finding is also regarded as a significant instance of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to the Office that did not warrant inclusion in this report.

The Office's response to our finding and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Office regarding the results of our review of its response.

APPENDIX

OFFICE OF THE

REGISTER OF WILLS

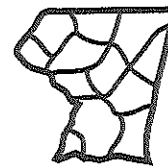
FOR CARROLL COUNTY

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Paul G. Zimmermann
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Date: March 6, 2026

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore, MD 21201

Dear Mr. Tanen:

Regarding the 2025 Carroll County Register of Wills Audit, covering the period from December 13, 2021 and ending October 31, 2025, I approve the audit report as submitted.

A handwritten signature in black ink, appearing to read 'Paul Zimmermann'.

Paul Zimmermann
Register of Wills for Carroll County, Maryland

Office of the Register of Wills – Carroll County, Maryland

Agency Response Form

Cash Receipts

Finding 1

The Office did not perform independent verifications of collections to deposit, did not always deposit collections in a timely manner, and did not segregate collection and accounts receivable duties, as required.

We recommend that the Office

- a. ensure that an employee independent of the collection process performs the deposit verifications (repeat),**
- b. deposit all collections in a timely manner, and**
- c. ensure that collections and accounts receivable duties are properly segregated.**

We advised the Office how to achieve the necessary separation of duties using existing personnel.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 1a	Agree	Estimated Completion Date:	Immediately
Please provide details of corrective action or explain disagreement.	We are ensuring that an employee, independent of the collection process, performs the deposit verifications. Changes already implemented		
Recommendation 1b	Agree	Estimated Completion Date:	Immediately
Please provide details of corrective action or explain disagreement.	All collections are currently being deposited in a timely manner		
Recommendation 1c	Agree	Estimated Completion Date:	Immediately
Please provide details of corrective action or explain disagreement.	All collections and accounts receivable duties are properly segregated		

AUDIT TEAM

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