



**TREASURER
WASHINGTON COUNTY
EXAMINATION REPORT OF LICENSE SALES
HUNTING
JULY 1, 2010 TO JUNE 30, 2012
FISHING AND DOG
JANUARY 1, 2010 TO DECEMBER 31, 2012**

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Francis L. King
Treasurer
Washington County
Washington, PA 15031

We have examined the accompanying statements of receipts and disbursements (Statements) of the Treasurer, Washington County, Pennsylvania (County Officer), for the license period identified on the contents page, pursuant to the requirements of Section 401(d) of *The Fiscal Code*, 72 P.S. § 401(d). These Statements are the responsibility of the county office's management. Our responsibility is to express an opinion on these Statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. An examination includes examining, on a test basis, evidence supporting the Statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

We are mandated by Section 401(d) of *The Fiscal Code* 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. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(d) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statements referred to above present, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the of the licensing agencies, for the license period identified on the contents page, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of significant deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the Statements and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain the views of management on those matters. We performed our examination to express an opinion on whether the Statements are presented in accordance with the criteria described above and not for the purpose of expressing an opinion on the internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County Officer's ability to initiate, authorize, record, process, or report data reliably in accordance with the applicable criteria such that there is more than a remote likelihood that a misstatement of the County Officer's Statements that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiencies described in the findings below to be significant deficiencies in internal control over the reporting on the Statements:

- Receipts Were Not Always Deposited On The Same Day As Collected - Recurring.
- Inadequate Accountability Over Funds Held In Escrow.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the Statements will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statements would not necessarily disclose all matters in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider all the significant deficiencies described above to be material weaknesses.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

This report is intended solely for the information and use of the Pennsylvania Game Commission, Pennsylvania Fish and Boat Commission, Pennsylvania Department of Agriculture, and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale", with a long horizontal flourish extending to the right.

February 5, 2014

EUGENE A. DEPASQUALE
Auditor General

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TREASURER
WASHINGTON COUNTY
HUNTING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2011

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	282	\$ 5,555.40
Junior	22	125.40
Landowner	3	11.10
Junior combination	13	113.10
Senior	21	266.70
Senior Lifetime Combo	10	1,007.00
Senior Lifetime Hunting	14	709.80
Military	66	112.20
Reserves	2	3.40
Spring Turkey	5	103.50
Mentored Youth	28	47.60
Non-resident		
Adult	19	1,913.30
Junior	1	40.70
Junior combination	2	101.40
Archery - Resident and Non-resident	140	2,278.00
Muzzleloaders - Resident and Non-resident	80	896.00
Antlerless deer		
Resident	25,668	146,307.60
Resident landowners	1	5.70
Non-resident	579	14,880.30
Armed forces	64	364.80
Disabled veterans	22	125.40
Elk - Antlered and Antlerless	4	42.80
Bobcat	2	11.40
Furtaker		
Adult resident	11	216.70
Junior resident	1	5.70
Senior resident	1	12.70
Migratory - Resident and Non-resident	26	73.20
Bear - Resident and Non-resident	73	1,186.10
Replacements	44	250.80
Totals (Note 2)	<u>27,204</u>	<u>176,767.80</u>
Disbursements to Game Commission (Note 3)		(176,628.20)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(139.60)</u>
Balance due Game Commission (County) per settled reports (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Game Commission (County) for the license period July 1, 2010 to June 30, 2011		<u>\$ -</u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
HUNTING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2011 TO JUNE 30, 2012

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	315	\$6,205.50
Junior	23	131.10
Landowner	1	3.70
Junior combination	14	121.80
Senior	24	304.80
Senior Lifetime Combo	8	805.60
Senior Lifetime Hunting	7	354.90
Senior Lifetime Upgrade Combo	1	50.70
Military	54	91.80
Reserves	5	8.50
Spring Turkey	4	82.80
Mentored Youth	26	44.20
Non-resident		
Adult	15	1,510.50
Junior	1	40.70
Archery - Resident and Non-resident	138	2,216.60
Muzzleloaders - Resident and Non-resident	87	960.90
Antlerless deer		
Resident	26,562	151,403.40
Non-resident	498	12,798.60
Armed forces	33	188.10
Disabled veterans	17	96.90
Elk - Antlered and Antlerless	2	21.40
Bobcat	4	22.80
Furtaker		
Adult resident	11	216.70
Migratory - Resident and Non-resident	32	92.40
Bear - Resident and Non-resident	49	769.30
DMAP - Resident and Non-resident	1	9.70
Replacements	105	598.50
Totals (Note 2)	<u>28,037</u>	<u>179,151.90</u>
Disbursements to Game Commission (Note 3)		(179,006.60)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(145.30)</u>
Balance due Game Commission (County) per settled reports (Note 4)		-
Examination adjustments (Note 5)		<u>(4.00)</u>
Adjusted balance due Game Commission (County) for the license period July 1, 2011 to June 30, 2012		<u>\$ (4.00)</u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
FISHING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	132	\$ 2,864.40
Replacements	1	5.70
Senior resident	7	74.90
One day resident	1	10.70
National Guard/Armed Forces Prisoner of War	19	32.30
 Non-resident	 3	 155.10
Replacements	1	5.70
 Senior lifetime	 34	 1,723.80
Lifetime Upgrade Card	17	113.90
Replacements	11	62.70
 Lake Erie Stamp	 4	 34.80
Lake Erie And Trout/Salmon Combo Stamp	64	940.80
Trout/Salmon Stamp	84	730.80
Totals (Note 2)	378	6,755.60
 Disbursements to Fish and Boat Commission (Note 3)		(6,755.60)
 Balance due Fish and Boat Commission (County) per settled reports (Note 4)		-
 Examination adjustments		-
 Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2010 to December 31, 2010		\$ -

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
FISHING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2011

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	108	\$ 2,343.60
Replacements	3	17.10
Senior resident	3	32.10
One day resident	2	21.40
National Guard/Armed Forces	10	17.00
Replacements	1	5.70
Non-resident	2	103.40
Senior lifetime	27	1,368.90
Lifetime Upgrade Card	23	154.10
Replacements	11	62.70
Lake Erie Stamp	2	17.40
Lake Erie And Trout/Salmon Combo Stamp	69	1,014.30
Trout/Salmon Stamp	56	487.20
Angler and Boater Magazine	1	12.70
Totals (Note 2)	<u>318</u>	5,657.60
Disbursements to Fish and Boat Commission (Note 3)		<u>(5,657.60)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2011 to December 31, 2011		<u>\$ -</u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
FISHING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	105	\$ 2,278.50
Replacements	3	17.10
Senior resident	6	64.20
National Guard/Armed Forces	10	17.00
 Non-resident	 4	 206.80
Senior lifetime	33	1,673.10
Lifetime Upgrade Card	27	180.90
Replacements	14	79.80
Lake Erie And Trout/Salmon Combo Stamp	58	852.60
Trout/Salmon Stamp	62	539.40
 Angler and Boater Magazine	 <u>1</u>	 <u>12.70</u>
Totals (Note 2)	<u><u>323</u></u>	5,922.10
 Disbursements to Fish and Boat Commission (Note 3)		 <u>(5,922.10)</u>
 Balance due Fish and Boat Commission (County) per settled reports (Note 4)		 -
 Examination adjustments		 <u>-</u>
 Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2012 to December 31, 2012		 <u><u>\$ -</u></u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
DOG LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2010

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	16,988	\$ 94,208.00
Senior citizen	6,122	21,546.00
Lifetime	<u>499</u>	<u>14,550.00</u>
Totals (Note 2)	<u><u>23,609</u></u>	130,304.00
Disbursements to Department of Agriculture (Note 3)		<u>(130,304.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2010 to December 31, 2010		<u><u>\$ -</u></u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
 WASHINGTON COUNTY
 DOG LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2011 TO DECEMBER 31, 2011

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	15,936	\$ 87,914.00
Senior citizen	5,887	20,535.00
Lifetime	508	15,000.00
Totals (Note 2)	<u>22,331</u>	123,449.00
Disbursements to Department of Agriculture (Note 3)		<u>(123,449.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2011 to December 31, 2011		<u>\$ -</u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
DOG LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2012 TO DECEMBER 31, 2012

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	15,794	\$ 87,016.00
Senior citizen	5,965	20,847.00
Lifetime	<u>449</u>	<u>13,030.00</u>
Totals (Note 2)	<u><u>22,208</u></u>	120,893.00
Disbursements to Department of Agriculture (Note 3)		<u>(120,893.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		-
Examination adjustments (Note 5)		<u>200.00</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2012 to December 31, 2012		<u><u>\$ 200.00</u></u>

Notes to the Statements of Receipts and Disbursements are an integral part of this report.

TREASURER
WASHINGTON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

1. Criteria

The Statements of Receipts and Disbursements provide a summary of receipts and disbursements by category. The categories and the costs of licenses are based on Pennsylvania laws and regulations.

The Statements were prepared in accordance with reporting requirements prescribed by the licensing agencies. 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.

The following schedule identifies the licensing agencies and the respective reporting period:

<u>License Type</u>	<u>Licensing Agency</u>	<u>License Period</u>
Hunting	Game Commission	July 1 to June 30
Fishing	Fish and Boat Commission	January 1 to December 31
Dog	Department of Agriculture	January 1 to December 31

With all of the license types listed above, there are licenses that are sold the month prior to the official license period beginning date. For our reporting purposes, these sales are included in the official first month of the license period.

2. Receipts

Receipts consist of monies collected on behalf of the licensing agency.

3. Disbursements

The proceeds from the sale of paper hunting licenses for license years 2007 and 2008 were remitted monthly by check with the monthly reports of sales. The proceeds from the sale of hunting licenses, sold electronically, for license years 2008 through 2012 were remitted weekly through an electronic funds transfer program.

TREASURER
WASHINGTON COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

3. Disbursements (Continued)

The proceeds from the sale of paper fishing licenses for license year 2007 were remitted monthly by check with the monthly reports of sales. The proceeds from the sale of fishing licenses, sold electronically, for license years 2007 through 2012 were remitted weekly through an electronic funds transfer program.

The proceeds from the sale of dog licenses for the license years were remitted by check to the appropriate licensing agency with the monthly reports of sales.

4. Balance Due Licensing Agency (County) Per Settled Reports

This balance reflects the summary of monthly sales reports as settled by the appropriate licensing agency.

5. Prior Examination Period Balance Due

We noted that there was a prior examination balance due the County for Hunting license sales of \$4 which was not taken as of the end of our current examination period.

We noted that there was a prior examination balance due the Commonwealth of \$200 for dog license sales which was not paid as of the end of our current examination period.

6. County Officer Serving During Examination Period

Francis L. King served as Treasurer during the hunting license period July 1, 2010 to June 30, 2012 and during the fishing and dog license period January 1, 2010 to December 31, 2012.

TREASURER
WASHINGTON COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

Finding No. 1 - Receipts Were Not Always Deposited On The Same Day As Collected –
Recurring

We cited the issue of receipts not always being deposited on the same day as collected in the prior examination report for the period ended June 30, 2010 for hunting licenses and December 31, 2009 for fishing and dog licenses. However, our current examination found that the office did not correct this issue.

Our current examination disclosed that of 12 receipts tested, 9 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent date of deposit ranged from seven days to eight days.

This condition existed because the office ignored our prior examination recommendation and failed to establish adequate internal controls over its receipts.

A good system of internal controls ensures that all monies collected are deposited intact at the bank on the same day as collected.

Without a good system of internal controls over funds received by the office, the possibility of funds being lost or misappropriated increases significantly.

Recommendation

We strongly recommend that the office deposit all receipts intact at the bank on the same day as collected as required by good internal accounting controls.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office take all corrective actions necessary to comply with our recommendation.

TREASURER
WASHINGTON COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

Finding No. 2 - Inadequate Accountability Over Funds Held In Escrow

Our examination disclosed that there was inadequate accountability over funds held in escrow. At December 31, 2012, funds on hand exceeded recorded obligations in the checking account by \$889.60.

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.

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

This condition existed because the office failed to establish and implement an adequate system of internal controls over funds held in escrow.

Recommendations

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

Management's Response

No formal response was offered at this time.

TREASURER
WASHINGTON COUNTY
COMMENT

FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

Comment - Compliance With Prior Examination Recommendation

During our prior examination, we recommended:

- That the office establish and implement an adequate system of internal controls over dog licenses.

During our current examination, we noted that the office complied with the recommendation.

TREASURER
WASHINGTON COUNTY
REPORT DISTRIBUTION
FOR THE HUNTING LICENSE PERIOD JULY 1, 2010 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2010 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable George D. Greig
Secretary
Department of Agriculture

Mr. D. Holbrook Duer
Assistant Counsel
Governor's Office of General Counsel
Department of Agriculture

Mr. John Arway
Executive Director
Fish and Boat Commission

Mr. R. Matthew Hough
Deputy Executive Director
Pennsylvania Game Commission

The Honorable Francis L. King	Treasurer
The Honorable Michael Namie	Controller
The Honorable Larry Maggi	Chairperson of the Board of Commissioners

This report is a matter of public record and is available online at <http://www.auditorgen.state.pa.us>. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: news@auditorgen.state.pa.us.