



**SHERIFF  
MONROE COUNTY  
EXAMINATION REPORT  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012**

*Released May 2013*

**COMMONWEALTH OF PENNSYLVANIA**  
**EUGENE A. DEPASQUALE - AUDITOR GENERAL**  
**DEPARTMENT OF THE AUDITOR GENERAL**



SHERIFF

MONROE COUNTY

EXAMINATION REPORT

FOR THE PERIOD

SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

### Independent Auditor's Report

Ms. Mildred Duncan  
Commonwealth Accountant Manager  
Office of Comptroller Operations  
Harrisburg, PA 17101

We have examined the accompanying statement of receipts and disbursements (Statement) of the Sheriff, Monroe County, Pennsylvania (County Officer), for the period September 1, 2007 to February 29, 2012, pursuant to the requirements of Section 401(e) of *The Fiscal Code*, 72 P.S. § 401(e). This Statement is the responsibility of the county office's management. Our responsibility is to express an opinion on this Statement 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 Statement 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(e) 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(e) of *The Fiscal Code*.

In our opinion, the Statement referred to above presents, in all material respects, the operations of the County Officer as it pertains to receipts made on behalf of the Pennsylvania Office of Comptroller Operations for the period September 1, 2007 to February 29, 2012, in conformity with the criteria set forth in Note 1.

### Independent Auditor's Report (Continued)

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 Statement 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 Statement is 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 Statement 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 Statement that is more than inconsequential will not be prevented or detected by the County Officer's internal control. We consider the deficiency described in the finding below to be a significant deficiency in internal control over the reporting on the Statement:

- Inadequate Internal Controls Over The Bank Account.

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 Statement will not be prevented or detected by the County Officer's internal control. Our consideration of the internal control over reporting on the Statement 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 the significant deficiency described above to be a material weakness.

Independent Auditor's Report (Continued)

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

We are concerned in light of the County Officer's failure to correct a previously reported finding regarding inadequate accountability over undisbursed funds. Additionally, during our current examination, we noted inadequate outstanding check procedures. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendation and corrective action noted in this examination report.

This report is intended solely for the information and use of the Pennsylvania Office of Comptroller Operations and the County Officer and is not intended to be and should not be used by anyone other than these specified parties.



October 3, 2012

**EUGENE A. DEPASQUALE**  
Auditor General



SHERIFF  
MONROE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

Receipts:		
Deputy Sheriff's Training and Education Surcharges	\$	707,980
Firearms License to Carry Modernization Account Fees		32,835
Firearms License Validation System Account Fees		8,174
Total Receipts (Note 2)		748,989
Disbursements to Office of Comptroller Operations (Note 3)		(748,989)
Balance due Office of Comptroller Operations (County) (Note 4)		-
Examination adjustments (See Exhibit 1)		2,170
Adjusted balance due Office of Comptroller Operations (County) for the period September 1, 2007 to February 29, 2012	\$	2,170

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

SHERIFF  
MONROE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of surcharges and fees assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Office of Comptroller Operations. 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.

2. Receipts

Receipts consist of monies collected on behalf of the Office of Comptroller Operations. These include monies collected for the following surcharges and fees:

- Deputy Sheriff's Education and Training Surcharges represent a surcharge of \$10, on each fee collected by the sheriff of every county upon acceptance for each service required for any complaint, summons, writ, or other legal paper required to be served or posted by the sheriff.
- Firearms License to Carry Modernization Account Fees represent a \$5 fee imposed for applying for a license to carry a firearm for the period May 9, 2006 through May 10, 2011.
- Firearms License Validation System Account Fees represent a \$1 fee imposed for applying for a license to carry a firearm.

3. Disbursements

Total disbursements are comprised of checks issued to the Office of Comptroller Operations.

4. Balance Due Office Of Comptroller Operations (County) For The Period September 1, 2007 To February 29, 2012

This balance reflects a summary of transmittal reports as settled by the Office of Comptroller Operations. It does not reflect adjustments disclosed by our examination. Refer to Exhibit 1.

SHERIFF  
MONROE COUNTY  
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

5. County Officer Serving During Examination Period

Todd A. Martin served as Sheriff during the period September 1, 2007 to February 29, 2012.



SHERIFF  
 MONROE COUNTY  
 EXHIBIT 1  
 FOR THE PERIOD  
 SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

Exhibit 1 - Schedule Of Reporting Errors And Examination Adjustments

<u>Month/Year</u>	<u>Examination Adjustments</u>	<u>Explanation</u>
May 2008	\$ 1,120	1
November 2008	<u>1,050</u>	1
Total	\$ <u>2,170</u>	

1 – Deputy Sheriff’s Education and Training Surcharges were incorrectly calculated and not reported to the Office of Comptroller Operations.



SHERIFF  
MONROE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

Finding - Inadequate Internal Controls Over The Bank Account

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

- There was no accountability over undisbursed funds. There was an adjusted bank balance of \$4,464,895 without a corresponding liabilities report indicating to whom the monies were due.
- There were 70 outstanding checks totaling \$20,322, dated from January 14, 2009 to June 24, 2011, that were still outstanding as of February 29, 2012.

A good system of internal controls ensures that:

- 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.
- Adequate procedures are established to follow-up on all outstanding checks. If a check is outstanding for over 90 days, efforts should be made to locate the payee. If efforts to locate the payee are unsuccessful, the amount of the check should be removed from the outstanding checklist, added back to the checkbook balance, and subsequently held in escrow for unclaimed escheatable funds.

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

These conditions existed because the office failed to establish adequate internal controls over its bank account.

The condition above regarding no accountability over undisbursed funds was cited in our last two audit periods, the most recent ending August 31, 2007.

Recommendation

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

SHERIFF  
MONROE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

Finding - Inadequate Internal Controls Over The Bank Account (Continued)

Management's Response

The County Officer responded as follows:

After discussion of this issue with the County Controller and the IT Department, we have contacted our Database company to assist in this matter. A liability report of Escrow money held will be the result of this effort.

We will start carrying outstanding checks for the current year only. All others will be stopped and returned to the account balance, effective immediately.

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendation. During our next examination we will determine if the office complied with our recommendation.

SHERIFF  
MONROE COUNTY  
COMMENT  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

Comment - Compliance With Prior Examination Recommendation

During our prior examination, we recommended that the office establish procedures to properly calculate payments for the remittance of the Deputy Sheriff's Education and Training Surcharge.

Our current examination found that the office substantially complied with our prior examination recommendation. Insignificant instances of noncompliance were verbally communicated to the office.



SHERIFF  
MONROE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
SEPTEMBER 1, 2007 TO FEBRUARY 29, 2012

This report was initially distributed to:

Ms. Mildred Duncan  
Commonwealth Accountant Manager  
Office of Comptroller Operations  
Accounts Receivable

Mr. Derin Myers  
Director  
Office of Financial Management and Administration  
Pennsylvania Commission on Crime and Delinquency

The Honorable Todd A. Martin	Sheriff
The Honorable Robert M. McCord	Pennsylvania State Treasurer
The Honorable John R. Moyer	Chairperson of the Board of Commissioners
The Honorable Marlo Merhige	Controller

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120. To view this report online or to contact the Department of the Auditor General, please access our web site at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).