



SHERIFF

SCHUYLKILL COUNTY

EXAMINATION REPORT

FOR THE PERIOD

SEPTEMBER 1, 2002 TO FEBRUARY 28, 2006

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Independent Auditor's Report

State Treasurer
Treasury Department
129 Finance Building
Harrisburg, PA 17120-0018

We have examined the accompanying statement of receipts and disbursements (Statement) of the Sheriff, Schuylkill County, Pennsylvania (County Officer), for the period September 1, 2002 to February 28, 2006, pursuant to the requirements of Section 401(e) of *The Fiscal Code*. 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 reported and promptly transmitted. *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*.

Independent Auditor's Report (Continued)

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 Department of Treasury for the period ended February 28, 2006, in conformity with the criteria set forth in Note 1.

In accordance with *Government Auditing Standards*, we are required to report findings of 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 the Statement or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed a certain finding that is required to be reported under *Government Auditing Standards* and this finding is described in the Finding and Recommendation section of the report.

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

November 14, 2006

JACK WAGNER
Auditor General

SHERIFF
SCHUYLKILL COUNTY
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
SEPTEMBER 1, 2002 TO FEBRUARY 28, 2006

Receipts:

Deputy Sheriff's Training and Education Surcharges (Note 2)	\$ 143,450
Disbursements to Department of Treasury (Note 3)	<u>(143,450)</u>
Balance due Department of Treasury (Sheriff's Office) (Note 4)	-
Examination adjustments	<u>-</u>
Adjusted balance due Department of Treasury (Sheriff's Office) for the period September 1, 2002 to February 28, 2006	<u>\$ -</u>

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

SHERIFF
SCHUYLKILL COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
SEPTEMBER 1, 2002 TO FEBRUARY 28, 2006

1. Criteria

The Statement of Receipts and Disbursements (Statement) has been prepared in accordance with Title 72 P.S. Section 401 (e) of *The Fiscal Code*, which requires the Department of the Auditor General to determine whether all money collected on behalf of the Commonwealth for the Deputy Sheriff's Education and Training Account of the Commonwealth has been remitted properly.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Treasury. 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

Total receipts consist of Deputy Sheriff's Education and Training Surcharges collected on behalf of the Department of Treasury.

3. Disbursements

Total disbursements are comprised of checks to the Department of Treasury.

4. Balance Due Department Of Treasury (Sheriff's Office) For The Period September 1, 2002 To February 28, 2006

This balance reflects a summary of transmittal reports as settled by the Department of Treasury.

5. County Officer Serving During Examination Period

Francis V. McAndrew served as Sheriff during the period September 1, 2002 to February 28, 2006.

SHERIFF
SCHUYLKILL COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
SEPTEMBER 1, 2002 TO FEBRUARY 28, 2006

Finding – Inadequate Internal Controls Over Receipts And Disbursements

Our examination of the Schuylkill County Sheriff's Department disclosed the following deficiencies:

- Receipts were not always deposited on the same day as collected. Of 40 receipts tested, 33 were not deposited on the same day as collected. The time lapse from the date of receipt to the subsequent deposit ranged from 3 days to 22 days.
- There were 273 stale checks totaling \$24,369, dated from January 1, 1997 to August 31, 2005, which were still outstanding as of February 28, 2006.

A good system of internal controls ensures that:

- All receipts are deposited intact in the bank on the same day as collected.
- Adequate procedures are established to follow-up on all stale checks. If a check is outstanding for a period of 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.

These conditions existed because the office failed to establish adequate internal controls over its depositing and outstanding check procedures.

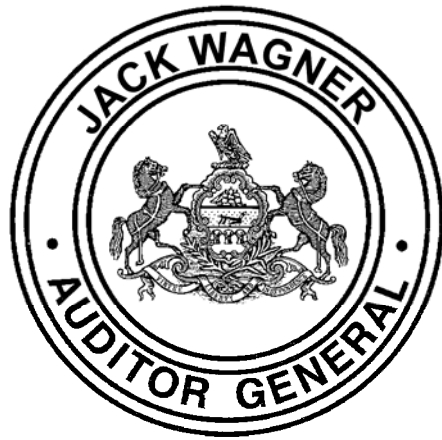
Without a good system of internal controls over funds received by the office and subsequent disbursement, the potential is increased that funds could be lost, stolen, or misappropriated. Additionally, the failure to follow these procedures results in an inefficiency caused by the needless record-keeping of stale checks.

Recommendation

We recommend that the Sheriff establish and implement an adequate system of internal controls over receipts and disbursements as noted above.

Management's Response

No formal response was offered at this time.



SHERIFF
SCHUYLKILL COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
SEPTEMBER 1, 2002 TO FEBRUARY 28, 2006

This report was initially distributed to:

State Treasurer
Treasury Department
129 Finance Building
Harrisburg, PA 17120-0018

Sheriff
Schuylkill County
401 North Second Street
Pottsville, PA 17901

The Honorable Francis V. McAndrew	Sheriff
The Honorable Gary L. Hornberger	Controller
The Honorable Frank J. Staudenmeier	Chairperson of the Board

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, 318 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.