



**TREASURER
BLAIR COUNTY
EXAMINATION REPORT OF LICENSE SALES
HUNTING
JULY 1, 2007 TO JUNE 30, 2012
FISHING AND DOG
JANUARY 1, 2008 TO DECEMBER 31, 2011**

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 James R. Carothers
Treasurer
Blair County
Hollidaysburg, PA 16648

We have examined the accompanying statements of receipts and disbursements (Statements) of the Treasurer, Blair 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:

- Inadequate Internal Controls Over The Bank Account.
- Inadequate Computer System Controls.
- Missing Records.

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 considered all 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

January 10, 2014

EUGENE A. DEPASQUALE
Auditor General

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TREASURER
BLAIR COUNTY
HUNTING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	79	\$ 1,501.00
Junior	7	35.00
Senior	13	156.00
Military	63	63.00
Non-resident		
Adult	4	400.00
Seven day	6	180.00
Archery - Resident and Non-resident	59	895.00
Muzzleloaders - Resident and Non-resident	38	400.00
Antlerless deer		
Resident	7,475	37,375.00
Resident landowners	5	25.00
Non-resident	264	6,600.00
Armed forces	55	275.00
Disabled veterans	23	115.00
Furtaker		
Adult resident	3	57.00
Migratory - Resident and Non-resident	29	64.00
Bear - Resident and Non-resident	32	540.00
Replacements	27	135.00
Totals (Note 2)	<u>8,182</u>	<u>48,816.00</u>
Disbursements to Game Commission (Note 3)		(48,708.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(108.00)</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, 2007 to June 30, 2008		<u>\$ -</u>

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

TREASURER
BLAIR COUNTY
HUNTING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2009

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	61	\$ 1,159.00
Junior	4	20.00
Junior combination	1	8.00
Senior	6	72.00
Military	41	41.00
Non-resident		
Adult	5	500.00
Junior	1	40.00
Archery - Resident and Non-resident	36	550.00
Muzzleloaders - Resident and Non-resident	28	300.00
Antlerless deer		
Resident	7,527	37,635.00
Resident landowners	4	20.00
Non-resident	294	7,350.00
Armed forces	43	215.00
Disabled veterans	30	150.00
Furtaker		
Adult resident	5	95.00
Migratory - Resident and Non-resident	20	40.00
Bear - Resident and Non-resident	42	750.00
Replacements	30	150.00
Totals (Note 2)	<u>8,178</u>	<u>49,095.00</u>
Disbursements to Game Commission (Note 3)		(48,976.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(119.00)</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, 2008 to June 30, 2009		<u>\$ -</u>

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

TREASURER
BLAIR COUNTY
HUNTING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2009 TO JUNE 30, 2010

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	54	\$ 1,063.80
Junior	2	11.40
Junior combination	4	34.80
Senior	6	76.20
Senior Lifetime Combo	5	503.50
Senior Lifetime Hunting	4	202.80
Senior Lifetime Upgrade Combo	1	50.70
Military	69	117.30
Spring Turkey	2	41.40
Mentored Youth	1	1.70
Non-resident		
Adult	3	302.10
Junior	1	40.70
Archery - Resident and Non-resident	62	983.40
Muzzleloaders - Resident and Non-resident	42	459.40
Antlerless deer		
Resident	10,216	58,231.20
Resident landowners	3	17.10
Non-resident	121	3,109.70
Armed forces	70	399.00
Disabled veterans	33	188.10
Elk - Antlered and Antlerless	1	10.70
Bobcat	2	11.40
Furtaker		
Adult resident	3	59.10
Migratory - Resident and Non-resident	21	56.70
Bear - Resident and Non-resident	36	585.20
DMAP - Resident and Non-resident	5	73.50
Replacements	37	210.90
Totals (Note 2)	<u>10,804</u>	<u>66,841.80</u>
Disbursements to Game Commission (Note 3)		(66,741.50)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(100.30)</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, 2009 to June 30, 2010		<u>\$ -</u>

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

TREASURER
BLAIR 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	41	\$ 807.70
Junior	2	11.40
Junior combination	3	26.10
Senior	3	38.10
Senior Lifetime Combo	3	302.10
Military	52	88.40
Reserves	1	1.70
Spring Turkey	2	41.40
Mentored Youth	3	5.10
Non-resident		
Adult	2	201.40
Archery - Resident and Non-resident	55	873.50
Muzzleloaders - Resident and Non-resident	30	331.00
Antlerless deer		
Resident	8,537	48,660.90
Resident landowners	3	17.10
Non-resident	79	2,030.30
Armed forces	57	324.90
Disabled veterans	47	267.90
Elk - Antlered and Antlerless	2	21.40
Bobcat	4	22.80
Fisher	2	11.40
Furtaker		
Adult resident	5	98.50
Migratory - Resident and Non-resident	13	35.10
Bear - Resident and Non-resident	29	475.30
DMAP - Resident and Non-resident	2	19.40
Replacements	43	245.10
Totals (Note 2)	<u>9,020</u>	<u>54,958.00</u>
Disbursements to Game Commission (Note 3)		(54,848.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(110.00)</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
BLAIR 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	37	\$ 728.90
Junior	2	11.40
Junior combination	7	60.90
Senior	4	50.80
Senior Lifetime Combo	4	402.80
Senior Lifetime Hunting	3	152.10
Military	57	96.90
Reserves	1	1.70
Spring Turkey	3	62.10
Mentored Youth	2	3.40
Non-resident		
Adult	2	201.40
Archery - Resident and Non-resident	55	873.50
Muzzleloaders - Resident and Non-resident	38	416.60
Antlerless deer		
Resident	10,172	57,980.40
Resident landowners	1	5.70
Non-resident	86	2,210.20
Armed forces	63	359.10
Disabled veterans	53	302.10
Elk - Antlered and Antlerless	2	21.40
Bobcat	4	22.80
Furtaker		
Adult resident	3	59.10
Migratory - Resident and Non-resident	14	37.80
Bear - Resident and Non-resident	33	518.10
DMAP - Resident and Non-resident	7	67.90
Replacements	71	404.70
Totals (Note 2)	<u>10,724</u>	<u>65,051.80</u>
Disbursements to Game Commission (Note 3)		(64,923.50)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(128.30)</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, 2011 to June 30, 2012		<u>\$ -</u>

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

TREASURER
BLAIR COUNTY
FISHING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	60	\$ 1,296.40
Senior resident	5	52.80
National Guard/Armed Forces	6	10.20
Non-resident	1	51.70
Tourist		
One day	1	25.70
Seven day	1	33.70
Senior lifetime	93	4,701.80
Lifetime Upgrade Card	91	505.40
Replacements	8	45.60
Lake Erie Stamp	3	26.10
Lake Erie And Trout/Salmon Combo Stamp	24	347.20
Trout/Salmon Stamp	116	998.00
Totals (Note 2)	<u>409</u>	8,094.60
Disbursements to Fish and Boat Commission (Note 3)		<u>(8,094.60)</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, 2008 to December 31, 2008		<u>\$ -</u>

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

TREASURER
BLAIR COUNTY
FISHING LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2009

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	36	\$ 781.20
Senior resident	5	53.50
National Guard/Armed Forces	15	25.50
Tourist		
Three day	1	25.70
Seven day	1	33.70
Senior lifetime	38	1,926.60
Lifetime Upgrade Card	30	201.00
Replacements	4	22.80
Lake Erie And Trout/Salmon Combo Stamp	16	235.20
Trout/Salmon Stamp	<u>66</u>	<u>574.20</u>
Totals (Note 2)	<u><u>212</u></u>	3,879.40
Disbursements to Fish and Boat Commission (Note 3)		<u>(3,879.40)</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, 2009 to December 31, 2009		<u><u>\$ -</u></u>

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

TREASURER
BLAIR 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	42	\$ 911.40
Senior resident	5	53.50
National Guard/Armed Forces	27	45.90
Non-resident	3	155.10
Three day	1	25.70
Seven day	1	33.70
Senior lifetime	15	760.50
Lifetime Upgrade Card	10	67.00
Replacements	8	45.60
Lake Erie Stamp	1	8.70
Lake Erie And Trout/Salmon Combo Stamp	12	176.40
Trout/Salmon Stamp	68	591.60
Totals (Note 2)	<u>193</u>	<u>2,875.10</u>
Disbursements to Fish and Boat Commission (Note 3)		<u>(2,875.10)</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, 2010 to December 31, 2010		<u>\$ -</u>

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

TREASURER
BLAIR 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	27	\$ 585.90
Senior resident	2	21.40
National Guard/Armed Forces	16	27.20
Non-resident	1	51.70
Three day	1	25.70
Senior lifetime	6	304.20
Lifetime Upgrade Card	7	46.90
Replacements	11	62.70
Lake Erie Stamp	4	34.80
Lake Erie And Trout/Salmon Combo Stamp	6	88.20
Trout/Salmon Stamp	32	278.40
Totals (Note 2)	<u>113</u>	1,527.10
Disbursements to Fish and Boat Commission (Note 3)		<u>(1,527.10)</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, 2011 to December 31, 2011		<u>\$ -</u>

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

TREASURER
BLAIR COUNTY
DOG LICENSE SALES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	7,624	\$ 44,786.00
Senior citizen	2,322	8,872.00
Lifetime	597	19,570.00
Totals (Note 2)	<u>10,543</u>	73,228.00
Disbursements to Department of Agriculture (Note 3)		<u>(73,228.00)</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, 2008 to December 31, 2008		<u>\$ -</u>

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

TREASURER
 BLAIR COUNTY
 DOG LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2009

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	6,839	\$ 40,037.00
Senior citizen	2,164	8,156.00
Lifetime	640	20,790.00
Totals (Note 2)	<u>9,643</u>	68,983.00
Disbursements to Department of Agriculture (Note 3)		<u>(68,968.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		15.00
Examination adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2009 to December 31, 2009		<u>\$ 15.00</u>

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

TREASURER
 BLAIR 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	7,597	\$ 44,741.00
Senior citizen	2,273	8,555.00
Lifetime	615	19,900.00
Totals (Note 2)	<u>10,485</u>	73,196.00
Disbursements to Department of Agriculture (Note 3)		<u>(73,186.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		10.00
Examination adjustments (Note 5)		<u>(10.00)</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2010 to December 31, 2010		<u>\$ -</u>

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

TREASURER
 BLAIR 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	7,298	\$ 42,556.00
Senior citizen	2,362	8,750.00
Lifetime	<u>628</u>	<u>20,390.00</u>
Totals (Note 2)	<u><u>10,288</u></u>	71,696.00
Disbursements to Department of Agriculture (Note 3)		<u>(71,696.00)</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>\$ -</u></u>

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

TREASURER
BLAIR COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

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.

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.

TREASURER
BLAIR COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

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. Examination Adjustments

The amount reflected as examination adjustments for the Dog License Sales Statement ending December 31, 2010 represents an immaterial adjustment to various license sales.

5. County Officer Serving During Examination Period

James Carothers served as Treasurer during the hunting license period July 1, 2007 to June 30, 2012 and during the fishing and dog license period January 1, 2008 to December 31, 2011.

TREASURER
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding No. 1 - 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:

- The officeholder failed to keep an accurate checkbook ledger balance by not entering all deposits into the ledger on the actual day of deposit. Collections from Lifetime Dog License sales were deposited into the bank account on the day collected. However, the office did not record these collections in the office's checkbook ledger until the licenses were actually issued at a later date.
- There was inadequate accountability over undisbursed funds. Funds on hand exceeded recorded obligations by approximately \$300.

A good system of internal controls ensures that:

- Bank statements are reconciled to the book balance on a monthly basis and any discrepancies are immediately investigated and resolved;
- 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;

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 Treasurer's office failed to establish adequate internal controls over its bank account.

Recommendation

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

TREASURER
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding No. 1 - Inadequate Internal Controls Over The Bank Account (Continued)

Management's Response

The Treasurer responded as follows:

We are taking steps to improve upon the items that can be changed.

Auditor's Conclusion

During our next examination we will determine if the Treasurer complied with our recommendation.

TREASURER
BLAIR COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

Finding No. 2 - Inadequate Computer System Controls

The Blair County Treasurer (County) uses software purchased from and supported by outside service organizations (Vendors) to account for sales transactions of hunting, fishing, and dog licenses.

We noted the following weaknesses with the County's computer systems recording sales of dog licenses:

- The County must provide the Vendor access to the County's data. However, the County was not monitoring the Vendor's system access, nor were they receiving reports to show what data may have been altered and/or accessed.
- The Vendor is using a group user ID and password instead of unique user IDs and passwords. Use of the group user ID eliminates the ability to isolate and track the Vendor employee(s) who changed the County's data. Each user should be required to have a unique user ID.
- The County has not obtained legal counsel about how to protect the County's interests in the event that errors or fraud would occur when the Vendor employees' access, or unauthorized access occurs, to the County's system and data.
- The County has not performed a risk assessment to use as a basis for determining security settings for the computer system.

We noted the following weaknesses with the County's computer systems recording sales of hunting, fishing, and dog licenses:

- The County is using a group user ID and password instead of unique user IDs and passwords for each employee.

Effective security policy and practice requires the County's approval of monitoring of any computer data changes made by the Vendor, particularly because of the Vendor's access to critical applications. Furthermore, to ensure confidentiality, passwords should be changed periodically and not exchanged among employees.

According to the Computer Emergency Response Team (CERT) of Carnegie Mellon University, inadequate contractor security policies and practices may result in undetected intrusions or security violations, lack of data integrity, and loss of privacy.

These conditions existed because the County failed to establish adequate internal controls over its computer system.

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Finding No. 2 - Inadequate Computer System Controls (Continued)

Recommendations

We recommend:

- That the County establishes policies and procedures to periodically generate monitoring reports that include the date, time, reason for change(s), change(s) made, and who made the change(s). The County should routinely review these reports to determine that access was appropriate and that data was not improperly altered.
- That the County continues to take prudent steps to properly secure their production servers from unauthorized access using the remote access software installed on their system. We recommend consideration of security practices published by respected authorities in the field, such as the NIST Federal Information Processing Standards Publication entitled:

Minimum Security Requirements for Federal Information and Information Systems
(<http://csrc.nist.gov/publications/fips/fips200/FIPS-200-final-march.pdf>)

- That the County negotiates an updated contract and software maintenance agreement with the Vendor. During this process the County's legal counsel should consider how to protect the County's interests in the event that errors or fraud occur as a result of Vendor employees accessing the County's data. Further, the following computer security issues should be considered for inclusion in the contract:
 - Assurances that vulnerabilities to known forms of attack have been addressed in the contractor software (i.e., all security patches have been updated and applied), assertions that contractor software is installed and configured to operate securely, and warranties that no malicious code (i.e., Trojan Horses) or viruses exist in contractor software.
 - The user authentication process, and a requirement that the contractor communicate securely with the County's site when operating remotely.
 - The ability to restrict systems administrator-level access to authorized users, as well as the ability to log appropriate activities for purposes of detecting intrusions and attempted intrusions.

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Finding No. 2 - Inadequate Computer System Controls (Continued)

Recommendations (Continued)

- A recently completed security evaluation of the contractor encompassing the technology being selected.
- A non-disclosure agreement if the contractor may encounter proprietary information on the County's systems.

Management's Response

The Treasurer responded as follows:

Due to the nature and size of our office, we are unable to implement some of the computer security changes.

Auditor's Conclusion

We strongly recommend that the treasurer establish and implement the computer system controls as noted above to prevent system intrusions, unauthorized data changes, loss of privacy, and timely detect errors in their data.

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Finding No. 3 - Missing Records

Our examination of Hunting, Fishing, and Dog licenses found that numerous licenses listed below could not be located, and were not available for examination:

- Ninety-three unsold antlerless deer licenses for the July 1, 2007 to June 30, 2008 license year.
- Five voided antlerless deer licenses from the July 1, 2009 to June 30, 2011 license year.
- Voided fishing licenses for the entire examination period of January 1, 2008 to December 31, 2011.

Good internal accounting controls ensure that all licenses are properly accounted for and maintained. In addition, all documentation should be kept until audited by the Department of the Auditor General.

Without a good system of internal controls over licenses, the potential is increased that collections associated with the missing licenses could be misappropriated.

This condition existed because the office failed to establish and implement an adequate system of internal controls over licenses.

Recommendation

We recommend that the office establish and implement procedures to ensure that all licenses are properly accounted for and maintained. In addition, all documentation should be kept until audited by the Department of the Auditor General.

Management's Response

The Treasurer responded as follows:

We are taking steps to improve upon the items that can be changed.

Auditor's Conclusion

During our next recommendation we will determine if the Treasurer complied with our recommendation.

TREASURER
BLAIR COUNTY
REPORT DISTRIBUTION
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO JUNE 30, 2012 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2011

This report was initially distributed to:

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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 James R. Carothers	Treasurer
The Honorable Richard J. Peo	Controller
The Honorable Terry Tomassetti	Chairperson of the Board of Commissioners

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