

# ATTESTATION ENGAGEMENT

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## Treasurer

Elk County, Pennsylvania

For the Period

Hunting - July 1, 2008 to June 30, 2012

Fishing and Dog - January 1, 2009 to  
December 31, 2012

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November 2014



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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

### Independent Auditor's Report

The Honorable Peggy Schneider  
Treasurer  
Elk County  
Ridgway, PA 15853

We have examined the accompanying statements of receipts and disbursements (Statements) of the Treasurer, Elk 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). The County Office's management is responsible for these Statements. 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 and, accordingly, included 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*.

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.

## Independent Auditor's Report (Continued)

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statements; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. 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 internal control over reporting on the Statements or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statements was for the limited purpose of expressing an opinion on whether the Statements are presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statements that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed below to be material weaknesses.

- Misappropriated Commonwealth Funds Of \$1,180.15.
- Inadequate Segregation Of Duties.

As part of obtaining reasonable assurance about whether the Statements are free from material misstatement, we performed tests of the County Office's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion.

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.

Independent Auditor's Report (Continued)

We appreciate the courtesy extended by the Office of the Treasurer, Elk County, to us during the course of our examination. If you have any questions, please feel free to contact Michael B. Kashishian, CPA, CGAP, CFE, Director, Bureau of County Audits, at 717-787-1363.



Eugene A. DePasquale  
Auditor General

September 4, 2014

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TREASURER  
ELK 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	583	\$ 11,077.00
Junior	39	195.00
Junior combination	46	368.00
Senior	53	636.00
Military	49	49.00
Non-resident		
Adult	33	3,300.00
Junior combination	1	50.00
Seven day	3	90.00
Archery - Resident and Non-resident	141	2,135.00
Muzzleloaders - Resident and Non-resident	214	2,150.00
Antlerless deer		
Resident	7,246	36,230.00
Resident landowners	23	115.00
Non-resident landowners	3	75.00
Armed forces	54	270.00
Disabled veterans	23	115.00
Furtaker		
Adult resident	29	551.00
Senior resident	3	36.00
Migratory - Resident and Non-resident	76	152.00
Bear - Resident and Non-resident	154	2,390.00
Replacements	40	200.00
Totals (Note 2)	<u>8,813</u>	<u>60,184.00</u>
Disbursements to Game Commission (Note 3)		(59,946.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(238.00)</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  
ELK 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	634	\$ 12,489.80
Junior	41	233.70
Junior combination	54	469.80
Senior	40	508.00
Senior Lifetime Combo	11	1,107.70
Senior Lifetime Hunting	9	456.30
Senior Lifetime Upgrade Combo	3	152.10
Military	59	100.30
Spring Turkey	11	227.70
Mentored Youth	23	39.10
Non-resident		
Adult	35	3,524.50
Seven day	1	30.70
Archery - Resident and Non-resident	176	2,783.20
Muzzleloaders - Resident and Non-resident	240	2,588.00
Antlerless deer		
Resident	6,486	36,970.20
Resident landowners	27	153.90
Non-resident	89	2,287.30
Non-resident landowners	4	102.80
Armed forces	52	296.40
Disabled veterans	22	125.40
Elk - Antlered and Antlerless	24	256.80
Bobcat	9	51.30
Furtaker		
Adult resident	34	669.80
Senior resident	1	12.70
Migratory - Resident and Non-resident	75	202.50
Bear - Resident and Non-resident	154	2,457.80
DMAP - Resident and Non-resident	177	1,816.90
Replacements	45	256.50
Totals (Note 2)	<u>8,536</u>	<u>70,371.20</u>
Disbursements to Game Commission (Note 3)		(70,143.30)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(227.90)</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  
ELK 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	575	\$ 11,327.50
Junior	44	250.80
Junior combination	35	304.50
Senior	45	571.50
Senior Lifetime Combo	9	906.30
Senior Lifetime Hunting	11	557.70
Military	46	78.20
Reserves	2	3.40
Spring Turkey	7	144.90
Mentored Youth	29	49.30
Non-resident		
Adult	24	2,416.80
Seven day	1	30.70
Archery - Resident and Non-resident	184	2,888.80
Muzzleloaders - Resident and Non-resident	214	2,309.80
Antlerless deer		
Resident	5,799	33,054.30
Resident landowners	26	148.20
Non-resident	55	1,413.50
Non-resident landowners	2	51.40
Armed forces	39	222.30
Disabled veterans	29	165.30
Elk - Antlered and Antlerless	25	267.50
Bobcat	39	222.30
Fisher	13	74.10
Furtaker		
Adult resident	36	709.20
Senior resident	1	12.70
Migratory - Resident and Non-resident	74	199.80
Bear - Resident and Non-resident	175	2,787.50
DMAP - Resident and Non-resident	127	1,306.90
Replacements	35	195.50
Totals (Note 2)	<u>7,701</u>	<u>62,670.70</u>
Disbursements to Game Commission (Note 3)		(62,425.40)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(245.30)</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, 2010 to June 30, 2011		<u>\$ -</u>

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



TREASURER  
ELK 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	572	\$ 11,268.40
Junior	42	239.40
Junior combination	39	339.30
Senior	42	533.40
Senior Lifetime Combo	14	1,409.80
Senior Lifetime Hunting	7	354.90
Senior Lifetime Upgrade Combo	1	50.70
Military	37	62.90
Spring Turkey	8	165.60
Mentored Youth	33	56.10
Non-resident		
Adult	23	2,316.10
Seven day	1	30.70
Archery - Resident and Non-resident	186	2,940.20
Muzzleloaders - Resident and Non-resident	207	2,224.90
Antlerless deer		
Resident	6,763	38,549.10
Resident landowners	23	131.10
Non-resident	80	2,056.00
Non-resident landowners	2	51.40
Armed forces	35	199.50
Disabled veterans	27	153.90
Elk - Antlered and Antlerless	32	342.40
Bobcat	20	114.00
Fisher	6	34.20
Furtaker		
Adult resident	30	591.00
Senior resident	1	12.70
Adult non-resident	1	80.70
Migratory - Resident and Non-resident	68	186.60
Bear - Resident and Non-resident	156	2,489.20
DMAP - Resident and Non-resident	166	1,660.20
Replacements	41	229.70
Totals (Note 2)	<u>8,663</u>	<u>68,874.10</u>
Disbursements to Game Commission (Note 3)		(68,614.80)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(259.30)</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  
ELK 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	292	\$ 6,336.40
Replacements	8	45.60
Senior resident	4	42.80
National Guard/Armed Forces	6	10.20
Non-resident	11	568.70
Tourist		
Three day	21	539.70
Seven day	6	202.20
Senior lifetime	26	1,318.20
Lifetime Upgrade Card	3	20.10
Replacements	6	34.20
Lake Erie Stamp	5	43.50
Lake Erie And Trout/Salmon Combo Stamp	70	1,029.00
Trout/Salmon Stamp	263	2,288.10
	<hr/>	<hr/>
Totals (Note 2)	<u>721</u>	12,478.70
Disbursements to Fish and Boat Commission (Note 3)		<hr/> <u>(12,478.70)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2009 to December 31, 2009		<hr/> <u>\$ -</u>

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

TREASURER  
ELK 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	278	\$ 6,032.60
Replacements	6	34.20
Senior resident	4	42.80
National Guard/Armed Forces	7	11.90
Non-resident	10	517.00
Tourist		
One day	1	25.70
Three day	23	591.10
Seven day	8	269.60
Senior lifetime	19	963.30
Lifetime Upgrade Card	6	40.20
Replacements	7	39.90
Lake Erie Stamp	5	43.50
Lake Erie And Trout/Salmon Combo Stamp	54	793.80
Trout/Salmon Stamp	266	2,314.20
	<hr/>	<hr/>
Totals (Note 2)	<u>694</u>	11,719.80
Disbursements to Fish and Boat Commission (Note 3)		<hr/> <u>(11,719.80)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2010 to December 31, 2010		<hr/> <u>\$ -</u>

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

TREASURER  
ELK 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	244	\$ 5,294.80
Replacements	4	22.80
Senior resident	3	32.10
National Guard/Armed Forces	8	13.60
Non-resident	5	258.50
Tourist		
Three day	20	514.00
Seven day	2	67.40
Replacements	1	5.70
Senior lifetime	19	963.30
Lifetime Upgrade Card	5	33.50
Replacements	6	34.20
Lake Erie Stamp	4	34.80
Lake Erie And Trout/Salmon Combo Stamp	45	661.50
Trout/Salmon Stamp	218	1,896.60
	<hr/>	<hr/>
Totals (Note 2)	<u>584</u>	9,832.80
Disbursements to Fish and Boat Commission (Note 3)		<u>(9,832.60)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		.20
Examination adjustments		<hr/> -
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2011 to December 31, 2011		<u>\$ .20</u>

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

TREASURER  
ELK 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	208	\$ 4,513.60
Replacements	8	45.60
Senior resident	6	64.20
One day resident	4	42.80
National Guard/Armed Forces	5	8.50
Non-resident	8	413.60
Tourist		
One day	1	25.70
Three day	17	436.90
Seven day	2	67.40
Senior lifetime	24	1,216.80
Lifetime Upgrade Card	3	20.10
Replacements	10	57.00
Lake Erie Stamp	4	34.80
Lake Erie And Trout/Salmon Combo Stamp	63	926.10
Trout/Salmon Stamp	190	1,653.00
	<hr/>	<hr/>
Totals (Note 2)	553	9,526.10
	<hr/> <hr/>	<hr/> <hr/>
Disbursements to Fish and Boat Commission (Note 3)		(9,525.90)
		<hr/>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		.20
Examination adjustments		-
		<hr/>
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2012 to December 31, 2012		\$ .20
		<hr/> <hr/>

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

TREASURER  
ELK 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	3,326	\$ 19,062.00
Senior citizen	887	3,249.00
Lifetime	<u>210</u>	<u>6,350.00</u>
Totals (Note 2)	<u><u>4,423</u></u>	28,661.00
Disbursements to Department of Agriculture (Note 3)		<u>(28,661.00)</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, 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  
ELK 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	3,252	\$ 18,604.00
Senior citizen	970	3,570.00
Lifetime	<u>219</u>	<u>6,600.00</u>
Totals (Note 2)	<u><u>4,441</u></u>	28,774.00
Disbursements to Department of Agriculture (Note 3)		<u>(28,774.00)</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  
ELK 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	3,165	\$ 18,099.00
Senior citizen	1,007	3,717.00
Lifetime	<u>227</u>	<u>6,610.00</u>
Totals (Note 2)	<u><u>4,399</u></u>	28,426.00
Disbursements to Department of Agriculture (Note 3)		<u>(28,426.00)</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  
ELK 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	2,907	\$ 16,511.00
Senior citizen	978	3,550.00
Lifetime	<u>232</u>	<u>7,090.00</u>
Totals (Note 2)	<u><u>4,117</u></u>	27,151.00
Disbursements to Department of Agriculture (Note 3)		<u>(27,151.00)</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, 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  
ELK COUNTY

NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 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  
ELK COUNTY

NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 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 - Hunting Licenses

We noted that there was a prior examination balance due the Game Commission of \$10 at June 30, 2007 for Hunting License sales which was not paid as of the end of our current examination period.

6. County Officer Serving During Examination Period

Peggy B. Schneider served as Treasurer during the hunting license period July 1, 2008 to June 30, 2012 and during the fishing and dog license period January 1, 2009 to December 31, 2012.

TREASURER  
ELK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 1 - Misappropriated Commonwealth Funds Of \$1,180.15**

The Elk County Treasurer disclosed to us in April 2014 that the former first deputy treasurer had misappropriated funds totaling \$1,180.15.

The misappropriation of funds occurred when the former first deputy treasurer did not deposit cash payments of \$1,180.15 for license sales collected during the week of July 9 to July 13, 2012. Instead the former first deputy treasurer kept the cash payments. Our examination confirmed that the former first deputy treasurer misappropriated \$1,180.15.

This condition existed because the office did not adequately segregate staff duties after a clerk position became vacant in March 2012 (see Finding No. 2). The former first deputy treasurer performed the duties of the clerk, in addition to the normal duties of the first deputy treasurer, which created the opportunity for the funds to be misappropriated.

Good internal accounting controls ensure that funds received from third parties are properly safeguarded in order to prevent funds from being lost or misappropriated.

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

The former first deputy treasurer resigned on April 19, 2013 after she refused several requests to provide 2012 audit information to the Elk County auditors. The county conducted an investigation and found that the former first deputy treasurer misappropriated \$1,180.15. The county recovered the \$1,180.15 in misappropriated funds through a wage attachment to the former first deputy treasurer's last paycheck.

**Recommendation**

We recommend that the office establish and implement an adequate system of internal controls over receipts to ensure that all payments are properly recorded, deposited and remitted.

TREASURER  
ELK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 1 - Misappropriated Commonwealth Funds Of \$1,180.15 (Continued)**

Management's Response

The County Officer responded as follows:

The first deputy treasurer, a 13 year employee of the Treasurer's office, while temporarily performing the duties of the clerk/data processor did not deposit cash received from sales during July 9 through July 13, 2012 in the amount of \$1,180.15. Checks from that sales period were deposited. The daily deposit amounts were entered in the computer program and on the sales ledger sheet to show an accurate daily reconciliation with the second deputy's sales journal.

The missing cash was recovered, deposited, and ledger correction and adjustments were made after the audit period of December 31, 2012.

The first deputy treasurer is no longer employed with the Elk County Treasurer's office.

There have been no communications from licensing agencies concerning noncompliance with or deficiencies in reporting practices.

To enhance security measures used by the Treasurer's office, more oversight has been implemented for stronger control of daily receipts and disbursements. The Treasurer is conducting more random verification of bank deposits to daily receipts.

Auditor's Conclusion

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

TREASURER  
ELK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 2 - Inadequate Segregation Of Duties**

Our examination disclosed that one employee in the office was responsible for performing the following functions:

- Opening mail.
- Collecting money.
- Entering collection information into the computer system.
- Making voided transactions adjustments.
- Reconciling the bank statement.
- Preparing the deposit slip.
- Making the deposit.
- Reconciling validated deposit slips to accounting records.

A good system of internal controls requires adequate segregation of duties.

In order to achieve adequate segregation of duties, one employee should not have custody of cash and at the same time maintain the accounting records for the cash. These duties should be segregated and rotated daily. As an alternative control, someone independent from maintaining the accounting records and handling cash should review the employee's work daily. The reviewer should sign and date the records and documents reviewed.

Without adequate segregation of duties, the possibility of funds being lost or misappropriated increases significantly.

This condition existed because the office did not adequately segregate staff duties after a staff position became vacant in March 2012. As a result, the former first deputy treasurer had access to all aspects of cash and was able to misappropriate funds as detailed in Finding No. 1.

TREASURER  
ELK COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2012

**Finding No. 2 - Inadequate Segregation Of Duties (Continued)**

Recommendation

We recommend that the office provide for greater segregation of duties within the office. This can be done by cross-training personnel and rotating job functions that include the handling of cash and maintaining the accounting records for the cash. As an alternative and/or additional control, someone independent from the handling of cash and the accounting records should review the employee's work at the end of each day. The reviewer should sign and date the records and documents reviewed.

Management's Response

The County Officer responded as follows:

Inadequate segregation of duties is not the normal standard of operation for the treasurer's office. Due to the March 16, 2012 retirement of the clerk/data processor, the first deputy treasurer was performing the duties of the clerk/data processor.

Auditor's Conclusion

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

TREASURER  
ELK COUNTY  
REPORT DISTRIBUTION  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2008 TO JUNE 30, 2012 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2012

This report was initially distributed to:

The Honorable George D. Greig  
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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  
Executive Director  
Pennsylvania Game Commission

The Honorable Peggy Schneider

Treasurer

The Honorable Dan Freeburg

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](mailto:news@auditorgen.state.pa.us).