



**TREASURER
MIFFLIN COUNTY
EXAMINATION REPORT OF LICENSE SALES
HUNTING
JULY 1, 2007 TO DECEMBER 31, 2009
FISHING AND DOG
JANUARY 1, 2008 TO DECEMBER 31, 2009**

Released April 2013

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



TREASURER

MIFFLIN COUNTY

EXAMINATION REPORT OF LICENSE SALES

HUNTING

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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Janice E. Peachey
Treasurer
Mifflin County
Lewistown, PA 17044

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

- Inadequate Segregation Of Duties.
- Inadequate Internal Controls Over Receipts.

Independent Auditor's Report (Continued)

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*.

We are concerned in light of the County Officer's failure to correct a previously reported finding regarding inadequate internal controls over receipts. Additionally, during our current examination, we noted several significant weaknesses in the internal controls over receipts and segregation of duties. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendations and corrective action noted in this examination report.

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.



EUGENE A. DEPASQUALE
Auditor General

December 17, 2012



TREASURER
 MIFFLIN 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	311	\$ 5,909.00
Junior	21	105.00
Junior combination	23	184.00
Senior	38	456.00
Military	35	35.00
Non-resident		
Adult	7	700.00
Archery - Resident and Non-resident	118	1,790.00
Muzzleloaders - Resident and Non-resident	127	1,270.00
Antlerless deer		
Resident	5,819	29,095.00
Resident landowners	21	105.00
Non-resident	98	2,450.00
Armed forces	51	255.00
Disabled veterans	11	55.00
Furtaker		
Adult resident	12	228.00
Senior resident	2	24.00
Migratory - Resident and Non-resident	43	86.00
Bear - Resident and Non-resident	97	1,455.00
Replacements	11	55.00
Totals (Note 2)	<u>6,845</u>	44,257.00
Disbursements to Game Commission (Note 3)		(44,012.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(245.00)</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
 MIFFLIN 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	297	\$ 5,643.00
Junior	8	40.00
Junior combination	30	240.00
Senior	35	420.00
Military	44	44.00
Spring Turkey	1	20.00
Non-resident		
Adult	7	700.00
Seven day	1	30.00
Archery - Resident and Non-resident	125	1,885.00
Muzzleloaders - Resident and Non-resident	136	1,370.00
Antlerless deer		
Resident	5,804	29,020.00
Resident landowners	17	85.00
Non-resident	86	2,150.00
Non-resident landowners	1	25.00
Armed forces	44	220.00
Disabled veterans	12	60.00
Furtaker		
Adult resident	11	209.00
Senior resident	2	24.00
Migratory - Resident and Non-resident	40	80.00
Bear - Resident and Non-resident	138	2,130.00
Replacements	19	95.00
Totals (Note 2)	<u>6,858</u>	<u>44,490.00</u>
Disbursements to Game Commission (Note 3)		(44,245.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(245.00)</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
 MIFFLIN COUNTY
 HUNTING LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JULY 1, 2009 TO DECEMBER 31, 2009

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	231	\$ 4,550.70
Junior	17	96.90
Junior combination	30	261.00
Senior	28	355.60
Senior Lifetime Combo	13	1,309.10
Senior Lifetime Hunting	10	507.00
Senior Lifetime Upgrade Combo	2	101.40
Military	67	113.90
Reserves	2	3.40
Spring Turkey	3	62.10
Mentored Youth	14	23.80
Non-resident		
Adult	8	805.60
Archery - Resident and Non-resident	110	1,747.00
Muzzleloaders - Resident and Non-resident	112	1,208.40
Antlerless deer		
Resident	5,909	33,681.30
Resident landowners	13	74.10
Non-resident	53	1,362.10
Armed forces	80	456.00
Disabled veterans	15	85.50
Elk - Antlered and Antlerless	6	64.20
Bobcat	6	34.20
Furtaker		
Adult resident	7	137.90
Senior resident	1	12.70
Migratory - Resident and Non-resident	34	91.80
Bear - Resident and Non-resident	124	1,946.80
DMAP - Resident and Non-resident	14	135.80
Replacements	37	210.90
Totals (Note 2)	<u>6,946</u>	49,439.20
Disbursements to Game Commission (Note 3)		(49,181.20)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(258.00)</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, 2009 to December 31, 2009		<u>\$ -</u>

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

TREASURER
 MIFFLIN COUNTY
 FISHING LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE 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	96	\$ 2,064.30
Senior resident	8	85.60
National Guard/Armed Forces	6	9.50
Replacements	1	5.70
Non-resident	1	51.00
Tourist		
Three day	1	25.70
Senior lifetime	45	2,273.80
Lifetime Upgrade Card	49	273.00
Replacements	4	22.80
Donations for the Fish and Boat Commission	-	1.00
Lake Erie And Trout/Salmon Combo Stamp	14	203.00
Trout/Salmon Stamp	<u>110</u>	<u>934.60</u>
Totals (Note 2)	<u><u>335</u></u>	5,950.00
Disbursements to Fish and Boat Commission (Note 3)		<u>(5,950.00)</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>\$ -</u></u>

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

TREASURER
 MIFFLIN COUNTY
 FISHING LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE 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	90	\$ 1,953.00
Senior resident	6	64.20
National Guard/Armed Forces	9	15.30
Non-resident	1	51.70
Tourist		
Three day	5	128.50
Seven day	1	33.70
Senior lifetime	27	1,368.90
Lifetime Upgrade Card	32	214.40
Replacements	2	11.40
Lake Erie Stamp	1	8.70
Lake Erie And Trout/Salmon Combo Stamp	10	147.00
Trout/Salmon Stamp	101	878.70
	<hr/>	<hr/>
Totals (Note 2)	<u>285</u>	4,875.50
Disbursements to Fish and Boat Commission (Note 3)		<u>(4,875.50)</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
 MIFFLIN COUNTY
 DOG LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	5,004	\$ 30,232.00
Senior citizen	1,371	5,241.00
Lifetime	378	11,490.00
Totals (Note 2)	<u>6,753</u>	<u>46,963.00</u>
Disbursements to Department of Agriculture (Note 3)		<u>(46,963.00)</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
 MIFFLIN COUNTY
 DOG LICENSE SALES
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD JANUARY 1, 2009 TO DECEMBER 31, 2009

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	5,002	\$ 30,110.00
Senior citizen	1,415	5,449.00
Lifetime	363	10,950.00
	<hr/>	<hr/>
Totals (Note 2)	<u>6,780</u>	46,509.00
Disbursements to Department of Agriculture (Note 3)		<u>(46,509.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		-
Examination adjustments		<hr/> -
Adjusted balance due Department of Agriculture (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
MIFFLIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

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 and 2009 were remitted weekly through an electronic funds transfer program.

TREASURER
MIFFLIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

3. Disbursements (Continued)

The proceeds from the sale of fishing licenses, 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. County Officer Serving During Examination Period

Gerald R. Hepler served as Treasurer during the hunting license period July 1, 2007 to December 31, 2009 and during the fishing and dog license period January 1, 2008 to December 31, 2009.



TREASURER
MIFFLIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

Finding No. 1 - Inadequate Segregation Of Duties

In the Treasurer's office, office personnel maintain their own cash drawer and each employee makes a deposit for each agency separately each day. Our examination disclosed that for each employee in the office, they were responsible for performing the following functions:

- Collecting cash, entering collection information into the computer system, and issuing receipts.
- Preparing deposit slips.
- Making the deposit.
- Reconciling collections to accounting records and/or receipts.

There was no independent check on the employees' reconciliation and depositing procedures.

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.

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

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.

TREASURER
MIFFLIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

Finding No. 1 - Inadequate Segregation Of Duties (Continued)

Management's Response

No formal response was offered at this time.

TREASURER
MIFFLIN COUNTY
FINDINGS AND RECOMMENDATIONS
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

Finding No. 2 - Inadequate Internal Controls Over Receipts

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

- Of 11 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 2 days to 23 days. There were five deposits that had multiple day receipts included in the deposit.
- Cash receipts were not always deposited when received, but were held for change-making purposes.

A good system of internal controls ensures that:

- All monies collected are deposited intact at the bank on the same day as collected.
- Receipts are recorded in the same manner as payments are received (i.e., cash, check, money order). Any discrepancies should be immediately investigated and resolved.
- Change should not be given for transactions paid for by check(s). If the amount collected exceeds the amount due, a refund check should be disbursed to the remitter.

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

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

The condition relating to receipts not always being deposited timely was cited in the prior examination for the period ending December 31, 2007.

Recommendation

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

Management's Response

No formal response was offered at this time.



TREASURER
MIFFLIN COUNTY
REPORT DISTRIBUTION
FOR THE HUNTING LICENSE PERIOD JULY 1, 2007 TO DECEMBER 31, 2009 AND FOR
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2008 TO DECEMBER 31, 2009

This report was initially distributed to:

The Honorable George D. Greig
Secretary
Department of Agriculture

Ms. Lynn M. Diehl
Director
Dog Law Enforcement Office
Department of Agriculture

Mr. John Arway
Executive Director
Fish and Boat Commission

Mr. Carl G. Roe
Executive Director
Pennsylvania Game Commission

The Honorable Janice E. Peachey Treasurer

The Honorable Mark A. Sunderland Chairperson of the Board of Commissioners

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.