

ATTESTATION ENGAGEMENT

Sheriff

Dauphin County, Pennsylvania
For the Period
March 1, 2014 to December 31, 2015

April 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable Nicholas Chimienti, Jr.
Sheriff
Dauphin County
Harrisburg, PA 17101

We have examined the accompanying statements of receipts and disbursements (Statements) of the Sheriff, Dauphin County, Pennsylvania (County Officer), for the period March 1, 2014 to December 31, 2015, pursuant to the requirements of Section 401(e) of *The Fiscal Code*, 72 P.S. § 401(e). The County Office's management is responsible for presenting the Statements in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on the 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statements are presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statements of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(e) of *The Fiscal Code* to audit the accounts of each county officer to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. *Government Auditing Standards* issued by the Comptroller General of the United States include attestation engagements as a separate type of audit. An attestation engagement performed pursuant to *Government Auditing Standards* involves additional standards that exceed the standards provided by the American Institute of Certified Public Accountants. Accordingly, this attestation engagement complies with both *Government Auditing Standards* and Section 401(e) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statements referred to above, for the period March 1, 2014 to December 31, 2015, are presented in accordance with the criteria set forth in Note 1, in all material respects.

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 a certain deficiency in internal control that we consider to be a material weakness.

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 Statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

- Bank Deposit Slips Were Not Validated.

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 Statements 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. 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)

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. This report is not suitable for any other purposes.

We appreciate the courtesy extended by the Sheriff, Dauphin 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

March 8, 2018

CONTENTS

Page

Financial Section:

Statements Of Receipts And Disbursements:

Office of Comptroller Operations1

Pennsylvania State Police.....2

Notes To The Statements Of Receipts And Disbursements3

Finding And Recommendations:

Finding - Bank Deposit Slips Were Not Validated5

Report Distribution6

SHERIFF
 DAUPHIN COUNTY
 OFFICE OF COMPTROLLER OPERATIONS
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 MARCH 1, 2014 TO DECEMBER 31, 2015

Receipts:

Deputy Sheriff's Training and Education Surcharges	\$	146,030
Firearms License Validation System Account Fees		<u>4,743</u>
Total Receipts (Note 2)		150,773
Disbursements to Office of Comptroller Operations (Note 3)		<u>(150,773)</u>
Balance due Office of Comptroller Operations (County) (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Office of Comptroller Operations (County) for the period March 1, 2014 to December 31, 2015	\$	<u><u>-</u></u>

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

SHERIFF
DAUPHIN COUNTY
PENNSYLVANIA STATE POLICE
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MARCH 1, 2015 TO DECEMBER 31, 2015

Receipts:

Firearms License Validation System Account Fees (Note 2)	\$ 4,458
Disbursements to Commonwealth (Note 3)	<u>(4,458)</u>
Balance due Commonwealth (County) (Note 4)	-
Examination adjustments	<u>-</u>
Adjusted balance due Commonwealth (County) for the period March 1, 2015 to December 31, 2015	<u>\$ -</u>

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

SHERIFF
DAUPHIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MARCH 1, 2014 TO DECEMBER 31, 2015

1. Criteria

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

The Statements were prepared in accordance with reporting requirements prescribed by the Pennsylvania Office of Comptroller Operations and the Pennsylvania State Police. Under this method, only the Commonwealth portion of cash receipts and disbursements are presented, revenues are recognized when received, and expenditures are recognized when paid.

2. Receipts

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

- Deputy Sheriff's Education and Training Surcharges represent a surcharge, ranging from \$2 to \$10 depending upon the year of service, on each fee collected by the sheriff of every county upon acceptance for each service required for any complaint, summons, writ, or other legal paper required to be served or posted by the sheriff.
- Firearms License Validation System Account Fees represent a \$1 fee imposed for applying for a license to carry a firearm. Effective March 1, 2015, this fee is remitted to the Pennsylvania State Police as required by Pennsylvania Uniform Firearms Act.

3. Disbursements

Total disbursements are comprised as follows:

Sheriff checks issued to:

Office of Comptroller Operations	<u>\$ 150,773</u>
----------------------------------	-------------------

Pennsylvania State Police	<u>\$ 4,458</u>
---------------------------	-----------------

SHERIFF
DAUPHIN COUNTY
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
MARCH 1, 2014 TO DECEMBER 31, 2015

4. Balance Due Office Of Comptroller Operations and Pennsylvania State Police (County)
For The Period March 1, 2014 To December 31, 2015

This balance reflects a summary of receipts and disbursements on behalf of the Office of Comptroller Operations and/or the Pennsylvania State Police.

5. County Officer Serving During Examination Period

John R. Lotwick served as Sheriff during the period March 1, 2014 to December 31, 2015.

SHERIFF
DAUPHIN COUNTY
FINDING AND RECOMMENDATIONS
FOR THE PERIOD
MARCH 1, 2014 TO DECEMBER 31, 2015

Finding - Bank Deposit Slips Were Not Validated

Our examination of the office's accounting records disclosed that the office copy of the bank deposit slip was not validated by the bank in 16 of the 17 deposits tested. The office received a validated receipt from the bank, but this only confirmed the total amount deposited and not the actual make-up of the deposit (i.e. cash and check mix).

Good internal accounting controls require that the amount of each check and the total amount of cash deposited are identified on the deposit slip. The office copy of each deposit should be brought to the bank to be validated. If the bank cannot validate the deposit slip, the office should obtain a deposit ticket from the bank that validates total cash and the total deposit. After the office receives the validation from the bank, it should be reconciled to the receipts by someone other than the person preparing or making the deposit.

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

The office was not aware of the internal control weaknesses caused by not obtaining a validated deposit slip or deposit ticket from the bank.

Recommendations

We recommend that the office obtain a validation from the bank as to the mix of cash and checks deposited. We further recommend that the validation is reconciled to receipts by someone other than the person preparing or making the deposit.

Management's Response

No formal response was offered at this time.

Auditor's Conclusion

The Sheriff's Office should take immediate action to correct the deficiency noted above. During our next examination, we will determine if the Sheriff's Office complied with our recommendations.

SHERIFF
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
MARCH 1, 2014 TO DECEMBER 31, 2015

This report was initially distributed to:

Mr. Harrison Brooks
Commonwealth Accountant Manager
Office of Comptroller Operations
Accounts Receivable

Corporal Daniel McGough
Pennsylvania State Police
Firearm Records Unit

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

The Honorable Nicholas Chimienti, Jr.
Sheriff

The Honorable Jeff Haste
Chairperson of the Board of Commissioners

The Honorable Timothy DeFoor
Controller

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.