

# ATTESTATION ENGAGEMENT

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**Sheriff**  
Greene County, Pennsylvania  
For the Period  
September 1, 2013 to August 31, 2016

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May 2018



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 Brian Tennant  
Sheriff  
Greene County  
Waynesburg, PA 15370

We attempted to examine the accompanying statements of receipts and disbursements (Statements) of the Sheriff, Greene County, Pennsylvania (County Officer), for the period September 1, 2013 to August 31, 2016, 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.

As discussed in finding No. 1, poor receipt practices prevented the auditors from determining if the Commonwealth received and timely remitted the correct amount for Deputy Sheriff's Education and Training Surcharge fees. We were unable to satisfy ourselves by other examination procedures; therefore, we determined that management's lack of control over the proper recording of receipts restricted the scope of our examination of the Statements.

Because of the restriction on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the Statements referred to above present, in all material respects, the receipts made on behalf of the Commonwealth for the period September 1, 2013 to August 31, 2016 in conformity with the criteria set forth in Note 1.

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 attempted 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.

## Independent Auditor's Report (Continued)

Our consideration of internal control over reporting on the Statements was for the limited purpose of attempting to express 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 Statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies listed below to be material weaknesses.

- Inadequate Internal Controls Over Receipts - Recurring.
- Inadequate Accountability Over Funds Held In Escrow.

As part of obtaining reasonable assurance about whether the Statements are free from material misstatement, we attempted to perform 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*. However, if the scope of our work had been sufficient to enable us to express an opinion on the statements, instances of noncompliance or other matters may have been identified or reported herein.

The first examination finding contained in this report cites conditions that existed in the operation of the County Office during the previous engagement period and was not corrected during the current examination period. The County Office should strive to implement the recommendations and corrective actions noted in this report.

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.

Independent Auditor's Report (Continued)

We appreciate the courtesy extended by the Sheriff, Greene 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.

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

April 20, 2018

Eugene A. DePasquale  
Auditor General

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SHERIFF  
 GREENE COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 SEPTEMBER 1, 2013 TO AUGUST 31, 2016

Receipts:

Deputy Sheriff's Training and Education Surcharges	\$	16,780
Firearms License Validation System Account Fees		<u>1,555</u>
Total Receipts (Note 2)		18,335
Disbursements to Office of Comptroller Operations (Note 3)		<u>(18,335)</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 September 1, 2013 to August 31, 2016	\$	<u><u>-</u></u>

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

SHERIFF  
 GREENE COUNTY  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR THE PERIOD  
 MARCH 1, 2015 TO AUGUST 31, 2016

Receipts:

Firearms License Validation System Account Fees (Note 2)	\$	2,097
Disbursements to Commonwealth (Note 3)		<u>(2,097)</u>
Balance due Commonwealth (County) (Note 4)		-
Examination adjustments		<u>-</u>
Adjusted balance due Commonwealth (County) for the period March 1, 2015 to August 31, 2016	\$	<u><u>-</u></u>

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

SHERIFF  
GREENE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

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 of \$10 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>\$ 18,335</u>
Pennsylvania State Police	<u><u>\$ 2,097</u></u>



SHERIFF  
GREENE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

4. Balance Due Office Of Comptroller Operations and Pennsylvania State Police (County)  
For The Period September 1, 2013 To August 31, 2016

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

5. County Officer Serving During Examination Period

Richard Ketchem served as Sheriff during the period September 1, 2013 to December 31, 2013.

Brian Tennant served as Sheriff during the period January 1, 2014 to August 31, 2016.

SHERIFF  
GREENE COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

**Finding No. 1 - Inadequate Internal Controls Over Receipts - Recurring**

We cited the Office's inadequate internal controls over receipts in the prior examination report for the period March 1, 2009 to August 31, 2013. Our current examination found that the office did not correct this issue.

Our examination disclosed the following deficiencies in the internal controls over receipts:

- Of 31 receipts tested, 11 were not deposited on the same day as collected. The time delay from the date of receipt to the subsequent deposit ranged from 2 days to 23 days.
- The office did not record the Deputy Sheriff's Education and Training Surcharge fees at the time of collection. Instead, the fees were recorded as paid at the time the case was closed. Therefore, there were instances in which fees due the Commonwealth were held in the office's bank account for over a year.
- The computer generated receipts did not indicate the breakdown of the fee allocation or payment category. The computer generated receipts only indicated the total amount collected.
- The office could not provide us with computer generated detailed accounting records regarding the amount of Deputy Sheriff's Education and Training Surcharge fees collected on open case files and not yet recorded.

It should be noted that the testing of the receipts indicated that the total amount receipted equaled the total amount deposited. However, we were unable to verify if the amounts on individual receipts were properly collected and recorded. Because of these issues, we could not determine if the Sheriff properly recorded, remitted, and reported all monies received and due to the Commonwealth.

This condition existed because the office failed to establish and implement an adequate system of internal controls over receipts as recommended in our prior examination report.

SHERIFF  
GREENE COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

**Finding No. 1 - Inadequate Internal Controls Over Receipts - Recurring (Continued)**

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 properly recorded at the time of collection.
- Receipts indicate a breakdown of each fee allocation or payment category to ensure that all fees are collected.
- Accurate and complete accounting records are maintained in order to reconcile receipts with liabilities.

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

**Recommendation**

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

**Management's Response**

Our deposits are now made daily and reviewed by our superior and deposited by a supervisor. Copies of the checks, deposit slip and reports are made from the system on each deposit along with the report from the Pennsylvania State Police System. Attached receipt from the bank is stapled to the reports and copies and kept on file.

**Auditor's Conclusion**

This is a recurring finding. Although we appreciate the corrective actions included in the office's response it is imperative that the County Office take all steps necessary to comply with our recommendations. The risk of lost or misappropriated funds continues to exist as long as these deficiencies exist. During our next examination, we will determine if the office complied with our recommendation.

SHERIFF  
GREENE COUNTY  
FINDINGS AND RECOMMENDATIONS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

**Finding No. 2 - Inadequate Accountability Over Funds Held In Escrow**

Our examination disclosed that there was inadequate accountability over funds held in escrow. As stated in Finding No 1, the office could not provide us with a computer generated escrow report detailing the amount of the surcharge fees that were collected on open case files and not yet recorded. A review of the office's bank records revealed that funds on hand exceeded recorded obligations by approximately \$3,353.

Because of this issue, we could not determine if the Sheriff properly recorded, remitted, and reported all monies received and due to the Commonwealth.

Good internal accounting control procedures ensure that the ending adjusted bank balance is reconciled with liabilities on a monthly basis and any discrepancies are immediately investigated and resolved. Since the office bank account 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 cash management, the possibility of funds being lost or misappropriated increases significantly.

These conditions existed because the office failed to establish and implement adequate system of internal controls over its bank account.

**Recommendations**

We recommend that the office attempt to identify all existing liabilities associated with the bank account and take appropriate action. Any unidentified funds should be accounted for under normal escheat procedures. Furthermore, we recommend that the office should ensure that reconciled cash equals unpaid obligations monthly.

**Management's Response**

We have two passbook savings for validations and transfer taxes. Checks are deposited into those accounts monthly. Every six months withdrawals are made out to the Commonwealth of Pennsylvania and disbursed. Interest acquired on those accounts will be removed every six months leaving a balance of \$50 required by the bank and sent to the county of Greene.

**Auditor's Conclusion**

During our next examination, we will determine if the office complied with our recommendation. We strongly recommend that the office take all corrective actions necessary to comply with our recommendation. The risk of lost or misappropriated funds continues to exist as long as these deficiencies exist.

SHERIFF  
GREENE COUNTY  
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that the office:

- Establish and implement an adequate system of internal controls over receipts to ensure all payments are properly recorded, deposited and remitted.
- Provide for greater segregation of duties within the office.

During our current examination, we noted that the office complied with our second bulleted recommendation. However, the office did not comply with our first bulleted recommendation. Please see the current year Finding No. 1 regarding receipts for additional information.

SHERIFF  
GREENE COUNTY  
REPORT DISTRIBUTION  
FOR THE PERIOD  
SEPTEMBER 1, 2013 TO AUGUST 31, 2016

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 Brian Tennant**  
Sheriff

**The Honorable Blair Zimmerman**  
Chairperson of the Board of Commissioners

**The Honorable Carol Gooden**  
Acting Controller

**The Honorable Joseph M. Torsella**  
Pennsylvania State Treasurer

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:news@PaAuditor.gov).