

COMPLIANCE AUDIT

Treasurer

Delaware County, Pennsylvania

For the Period

Hunting - July 1, 2018 to June 30, 2021

Fishing - January 1, 2018 to December 31, 2020

Dog - January 1, 2018 to December 31, 2021

October 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable James Hackett
Treasurer
Delaware County
Media PA 19063

We have conducted a compliance audit of the Treasurer, Delaware 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 objective of the audit was to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported, and promptly remitted and to provide a report to the Pennsylvania Game Commission, Fish and Boat Commission and the Department of Agriculture. Our audit was limited to areas related to the objective identified above and was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

The County Officer is responsible for establishing and maintaining effective internal controls to provide reasonable assurance of compliance with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted. The County Officer is also responsible for complying with those laws and regulations. It is our responsibility to perform procedures to obtain sufficient, appropriate evidence to the extent necessary to satisfy the audit objective. We believe that our audit provides a reasonable basis for our conclusions.

Based on our audit procedures, we conclude that, for the license periods identified on the contents page, the County Officer, in all significant respects, complied with state laws and regulations applicable to the collection of moneys on behalf of the Commonwealth, including whether they have been correctly assessed, reported, and promptly remitted, except as noted in the finding listed below and discussed later in this report:

- Inadequate Internal Controls Over The Bank Accounts.

This report includes summaries of the County Officer's receipts and disbursements of funds collected on behalf of the Commonwealth (summaries). We obtained data representing the County Officer's receipts and disbursements from the Pennsylvania Game Commission, Fish and Boat Commission, and the Department of Agriculture, which obtains data from each of the Commonwealth's treasurer offices and used the data to create the summaries. We also evaluated the accuracy of the data as part of our audit to conclude on the County Officer's compliance with certain state laws and regulations as described in the previous paragraph. Any adjustments that we considered necessary based on our audit work are disclosed in the *Audit Adjustments* line of the summaries; however, the scope of our audit does not include the issuance of an opinion on the accuracy of the amounts reported in the summaries.

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.

The contents of this report were discussed with the management of the County Officer and, where appropriate, their response has been included in the report. We appreciate the courtesy extended by the Treasurer, Delaware County, to us during the course of our audit. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
September 2, 2022

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TREASURER
DELAWARE COUNTY
BACKGROUND

THE HUNTING LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2021
THE FISHING PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020
THE DOG LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

The Department of Auditor General is mandated by Article IV, Section 401 (d) of *The Fiscal Code* (Act of April 9, 1929, P.L.343, No. 176), 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.

Treasurer receipts consist of monies collected on behalf of the licensing agency.

The proceeds from the sale of hunting licenses, sold electronically, for license years 2018 through 2020 were remitted weekly through an electronic funds transfer program.

The proceeds from the sale of fishing licenses, sold electronically, for license years 2018 through 2020 were remitted weekly through an electronic funds transfer program.

The proceeds from the sale of dog licenses for the license years 2018 through 2021 were remitted by check to the appropriate licensing agency with the monthly reports of sales.

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. The balances reflect the summary of monthly sales reports as settled by the appropriate licensing agency. It does not reflect adjustments disclosed by our audit.

John A. Dowd served as Treasurer during the audit period from January 1, 2018 to January 4, 2019.

Charlene M. Mangano served as Treasurer during the audit period from January 5, 2019 to December 31, 2020.

James P. Hackett served as Treasurer during the audit period from January 1, 2021 to December 31, 2021.

TREASURER
DELAWARE COUNTY
BACKGROUND
THE HUNTING LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2021
THE FISHING PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020
THE DOG LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

The summaries 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 summaries 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.

TREASURER
DELAWARE COUNTY
HUNTING LICENSE SALES
SUMMARY OF RECEIPTS AND DISBURSEMENTS
FOR THE LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2019

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	330	\$ 6,567.00
Junior	1	5.90
Junior combination	21	186.90
Senior	32	412.80
Senior Lifetime Combo	8	807.20
Senior Lifetime Hunting	4	203.60
Senior Lifetime Upgrade Combo	1	50.90
Military	9	17.10
Spring Turkey	9	188.10
Mentored Youth	8	15.20
Non-resident		
Adult	14	1,412.60
Archery - Resident and Non-resident	292	4,732.80
Muzzleloaders - Resident and Non-resident	58	642.20
Antlerless deer		
Resident	7,984	47,105.60
Non-resident	280	7,252.00
Armed forces	8	47.20
Disabled veterans	22	129.80
Elk - Antlered and Antlerless	13	141.70
Bobcat	6	35.40
Fisher	1	5.90
River Otter	1	5.90
Adult Pheasant	53	1,372.70
Federal Duck Stamp	45	1,233.00
Furtaker		
Adult resident	41	815.90
Migratory - Resident and Non-resident	121	353.90
Bear - Resident and Non-resident	106	1,705.40
DMAP - Resident and Non-resident	8	79.20
Replacements	22	129.80
Hunting & Trapping Digest	86	430.00
Totals	<u>9,584</u>	<u>76,085.70</u>
Disbursements to Game Commission		(75,908.70)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(177.00)</u>
Balance due Game Commission (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Game Commission (County) for the license period July 1, 2018 to June 30, 2019		<u>\$ -</u>

TREASURER
 DELAWARE COUNTY
 HUNTING LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JULY 1, 2019 TO JUNE 30, 2020

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	282	\$ 5,611.80
Junior	2	11.80
Junior combination	20	178.00
Senior	28	361.20
Senior Lifetime Combo	15	1,513.50
Senior Lifetime Hunting	2	101.80
Military	17	35.30
Spring Turkey	12	250.80
Mentored Junior & Youth	4	7.60
Non-resident		
Adult	16	1,614.40
Archery - Resident and Non-resident	266	4,329.40
Muzzleloaders - Resident and Non-resident	62	675.80
Antlerless deer		
Resident	8,682	51,223.80
Non-resident	318	8,236.20
Armed forces	12	70.80
Disabled veterans	20	118.00
Elk - Antlered and Antlerless	32	348.80
Bobcat	7	41.30
Fisher	1	5.90
River Otter	1	5.90
Adult Pheasant	48	1,243.20
Federal Duck Stamp	29	794.60
Furtaker		
Adult resident	42	835.80
Disabled veterans	1	2.90
Migratory - Resident and Non-resident	99	296.10
Bear - Resident and Non-resident	111	1,844.90
DMAP - Resident and Non-resident	11	108.90
Replacements	50	295.00
Totals	<u>10,190</u>	<u>80,163.50</u>
Disbursements to Game Commission		(79,980.70)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(161.00)</u>
Balance due Game Commission (County) per settled reports		21.80
Audit adjustments		<u>-</u>
Adjusted balance due Game Commission (County) for the license period July 1, 2019 to June 30, 2020		<u>\$ 21.80</u>

TREASURER
 DELAWARE COUNTY
 HUNTING LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JULY 1, 2020 TO JUNE 30, 2021

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Game Commission</u>
Resident		
Adult	217	\$ 4,318.72
Junior	1	5.90
Junior combination	11	97.90
Senior	26	335.40
Senior Lifetime Combo	7	706.30
Senior Lifetime Hunting	3	152.70
Senior Lifetime Upgrade Combo	1	50.90
Military	10	21.00
Spring Turkey	9	188.10
Mentored Junior & Youth	7	21.30
Non-resident		
Adult	11	1,109.90
Archery - Resident and Non-resident	201	3,265.90
Muzzleloaders - Resident and Non-resident	47	512.30
Antlerless deer		
Resident	8,627	50,899.30
Non-resident	339	8,780.10
Armed forces	10	59.00
Disabled veterans	15	88.50
Elk - Antlered and Antlerless	26	283.40
Bobcat	6	35.40
Fisher	1	5.90
River Otter	1	5.90
Adult Pheasant	39	1,010.17
Federal Duck Stamp	25	685.00
Furtaker		
Adult resident	31	616.90
Disabled veterans	1	2.90
Migratory - Resident and Non-resident	77	226.30
Bear - Resident and Non-resident	88	1,459.20
DMAP - Resident and Non-resident	10	99.00
Replacements	39	226.10
PGC Shooting Range Permit	4	123.74
Hunting & Trapping Digest	7	-
Totals	<u>9,897</u>	<u>75,393.13</u>
Disbursements to Game Commission		(75,251.13)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals		<u>(142.00)</u>
Balance due Game Commission (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Game Commission (County) for the license period July 1, 2020 to June 30, 2021		<u>\$ -</u>

TREASURER
 DELAWARE COUNTY
 FISHING LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	90	\$ 1,971.00
5 Year Resident	2	211.80
Mentored Youth	2	-
Replacements	1	5.90
Senior resident	16	174.40
Replacements	1	5.90
National Guard/Armed Forces	1	1.90
Disabled Veterans	21	13.30
Replacements	3	-
Non-resident	1	51.90
Seven day	1	33.90
Senior lifetime	12	610.80
Replacements	2	11.80
Trout/Salmon Stamp	76	676.40
1 Year Trout/Salmon	12	106.80
3 Year Trout/Salmon	10	249.00
5 Year Trout/Salmon	3	122.70
Totals	<u>254</u>	<u>4,247.50</u>
Disbursements to Fish and Boat Commission		<u>(4,247.50)</u>
Balance due Fish and Boat Commission (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2018 to December 31, 2018		<u>\$ -</u>

TREASURER
 DELAWARE COUNTY
 FISHING LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	86	\$ 1,883.40
3 Year Resident	5	319.50
5 Year Resident	1	105.90
Mentored Youth	3	-
Senior resident	14	152.60
Disabled Veterans	25	7.60
Replacements	9	-
Senior lifetime	15	763.50
Lifetime Upgrade Card	1	15.90
Replacements	3	17.70
3 Year Lake Erie and Trout/Salmon	2	85.80
Trout/Salmon Stamp	85	756.50
1 Year Trout/Salmon	16	142.40
3 Year Trout/Salmon	8	199.20
5 Year Trout/Salmon	4	163.60
10 Year Trout/Salmon	1	80.90
PA Fishing Summary Booklet	37	74.00
Annual Fishing Button	3	27.00
Totals	<u>318</u>	<u>4,795.50</u>
Disbursements to Fish and Boat Commission		<u>(4,795.50)</u>
Balance due Fish and Boat Commission (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2019 to December 31, 2019		<u>\$ -</u>

TREASURER
 DELAWARE COUNTY
 FISHING LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	19	\$ 416.10
Mentored Youth	1	-
Senior resident	8	87.20
National Guard/Armed Forces	1	1.90
Disabled Veterans	12	7.60
Replacements	6	-
Non-resident	1	51.90
Senior lifetime	7	356.30
Replacements	5	29.50
Trout/Salmon Stamp	23	204.70
1 Year Trout/Salmon	2	17.80
3 Year Trout/Salmon	2	49.80
5 Year Trout/Salmon	2	81.80
10 Year Trout/Salmon	2	161.80
Totals	<u>91</u>	<u>1,466.40</u>
Disbursements to Fish and Boat Commission		<u>(1,466.40)</u>
Balance due Fish and Boat Commission (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Fish and Boat Commission (County) for the license period January 1, 2020 to December 31, 2020		<u>\$ -</u>

TREASURER
 DELAWARE COUNTY
 DOG LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2018

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	8,347	\$ 44,173.00
Senior citizen	2,263	7,363.00
Lifetime	<u>1,175</u>	<u>36,370.00</u>
Totals	<u><u>11,785</u></u>	87,906.00
Disbursements to Department of Agriculture		<u>87,906.00</u>
Balance due Department of Agriculture (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2018 to December 31, 2018		<u><u>\$ -</u></u>

TREASURER
 DELAWARE COUNTY
 DOG LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2019 TO DECEMBER 31, 2019

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	6,231	\$ 33,125.00
Senior citizen	1,868	6,116.00
Lifetime	<u>932</u>	<u>28,790.00</u>
Totals	<u><u>9,031</u></u>	68,031.00
Disbursements to Department of Agriculture		<u>68,031.00</u>
Balance due Department of Agriculture (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2019 to December 31, 2019		<u><u>\$ -</u></u>

TREASURER
 DELAWARE COUNTY
 DOG LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2020 TO DECEMBER 31, 2020

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	4,864	\$ 26,224.00
Senior citizen	1,478	4,862.00
Lifetime	<u>770</u>	<u>24,741.00</u>
Totals	<u><u>7,112</u></u>	55,827.00
Disbursements to Department of Agriculture		<u>55,827.00</u>
Balance due Department of Agriculture (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2020 to December 31, 2020		<u><u>\$ -</u></u>

TREASURER
 DELAWARE COUNTY
 DOG LICENSE SALES
 SUMMARY OF RECEIPTS AND DISBURSEMENTS
 FOR THE LICENSE PERIOD JANUARY 1, 2021 TO DECEMBER 31, 2021

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	5,336	\$ 28,738.00
Senior citizen	1,418	4,646.00
Lifetime	<u>933</u>	<u>29,963.00</u>
Totals	<u><u>7,687</u></u>	63,347.00
Disbursements to Department of Agriculture		<u>63,347.00</u>
Balance due Department of Agriculture (County) per settled reports		-
Audit adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period January 1, 2021 to December 31, 2021		<u><u>\$ -</u></u>

TREASURER
DELAWARE COUNTY
FINDING AND RECOMMENDATION
THE HUNTING LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2021
THE FISHING LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020
THE DOG LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Inadequate Internal Controls Over The Bank Accounts

Our audit of the accounting records for the office disclosed the following deficiencies in the internal controls over the bank account:

- Bank reconciliations were not prepared.
- There was no accountability over undisbursed funds. There was an adjusted bank balance of \$66,675.99, \$2,906.69, and \$37,795.12 in the Hunt, Fish and Dog license sales bank accounts, respectively, without a corresponding liabilities report indicating to whom the monies were due.
- There was an outstanding check in the amount of \$4,656 written to the Department of Agriculture on April 6, 2020, that remained outstanding as of December 31, 2021.

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.
- Adequate procedures are established to follow-up on all outstanding checks. If a check is outstanding for over 90 days, efforts should be made to locate the payee. If efforts to locate the payee are unsuccessful, the amount of the check should be removed from the outstanding checklist, added back to the checkbook balance, and subsequently held in escrow for unclaimed escheatable funds.

Without a good system of internal controls over the bank account, the possibility of funds being lost or misappropriated increases significantly.

TREASURER
DELAWARE COUNTY
FINDING AND RECOMMENDATION
THE HUNTING LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2021
THE FISHING LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020
THE DOG LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

Finding - Inadequate Internal Controls Over The Bank Accounts (Continued)

The office did not provide us with an explanation as to why the balances have accumulated in the accounts.

Recommendation

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

Management's Response

We respectfully disagree with the written finding. Please note the following:

- All funds received from the three license centers (game, fish, and dog) are separately completed and reconciled to the reports for the licenses issued, and shortages/overages investigated; and
- All funds received are deposited into the various bank accounts (game, fish, and dog) each business day; and
- Funds are only transferred out either (a.) on auto-withdraw to the Commonwealth, or (b.) upon proper expenditure authorization.

Auditor's Conclusion

The corrective action included in the office's response isn't specifically responsive to the condition and recommendation included in this finding. As stated above, the office failed to maintain a list of liabilities and perform monthly bank reconciliations which has resulted in significant balances in each of the three accounts.

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

TREASURER
DELAWARE COUNTY
REPORT DISTRIBUTION
THE HUNTING LICENSE PERIOD JULY 1, 2018 TO JUNE 30, 2021
THE FISHING LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2020
THE DOG LICENSE PERIOD JANUARY 1, 2018 TO DECEMBER 31, 2021

This report was initially distributed to:

The Honorable Russell C. Redding
Secretary
Department of Agriculture

Ms. Linda Hansen
Administrative Officer I
Bureau of Dog Law
Department of Agriculture

Ms. Tracee Gotwalt
Director
Division of Budget and Finance
Administrative Services

Mr. John Howard
Chief Counsel
Department of Agriculture

Mr. Timothy D. Schaeffer
Executive Director
Fish and Boat Commission

Mr. Bryan Burhans
Executive Director
Pennsylvania Game Commission

The Honorable James Hackett
Treasurer

The Honorable Joanne Phillips
Controller

The Honorable Dr. Monica Taylor
Chairperson of the Board of Commissioners

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.