



TREASURER

DELAWARE COUNTY

EXAMINATION REPORT OF LICENSE SALES

HUNTING - JULY 1, 2005 TO JUNE 30, 2008

FISHING AND DOG - JANUARY 1, 2006 TO DECEMBER 31, 2008

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## Independent Auditor's Report

The Honorable John A. Dowd  
Treasurer  
Delaware County  
Media, PA 19063

We have examined the accompanying statements of receipts and disbursements (Statements) 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). 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 deficiency described in the finding below to be a significant deficiency in internal control over reporting on the Statements:

- Inadequate Internal Controls Over The Bank Accounts.

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 believe that the significant deficiency described above is a material weakness.

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 the bank accounts. These significant deficiencies increase the risk for funds to be lost or misappropriated. The County Officer should strive to implement the recommendation 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.

October 7, 2009

JACK WAGNER  
Auditor General



TREASURER  
DELAWARE COUNTY  
HUNTING LICENSE SALES  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
LICENSE PERIOD ENDING JUNE 30, 2006

<u>License Type</u>	<u>Licenses Sold</u>	<u>License Value</u>	<u>Amount Due Game Commission</u>
Resident			
Adult	316	\$ 19.00	\$ 6,004.00
Junior	11	5.00	55.00
Junior combination	12	8.00	96.00
Senior	63	12.00	756.00
Replacements	2	5.00	10.00
Military	6	1.00	6.00
Non-resident			
Adult	28	100.00	2,800.00
Junior	3	40.00	120.00
Junior combination	1	50.00	50.00
Seven day	4	30.00	120.00
Archery			
Resident	194	15.00	2,910.00
Non-resident	7	25.00	175.00
Replacements	1	5.00	5.00
Muzzleloaders			
Resident	72	10.00	720.00
Non-resident	5	20.00	100.00
Antlerless deer			
Resident	5,131	5.00	25,655.00
Non-resident	67	25.00	1,675.00
Armed forces	10	5.00	50.00
Disabled veterans	6	5.00	30.00
Replacements	4	5.00	20.00
Furtaker			
Adult resident	22	19.00	418.00
Senior resident	1	12.00	12.00
Migratory			
Resident	90	2.00	180.00
Bear			
Resident	47	15.00	705.00
Non-resident	7	35.00	245.00
Replacements	1	5.00	5.00
Totals (Note 2)	<u>6,111</u>		<u>42,922.00</u>
Disbursements to Game Commission (Note 3)			(42,823.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals			<u>(90.00)</u>
Balance due Game Commission (County) per settled reports (Note 4)			9.00
Examination adjustments			<u>-</u>
Adjusted balance due Game Commission (County) for the license period ending June 30, 2006			<u>\$ 9.00</u>

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

TREASURER  
DELAWARE COUNTY  
HUNTING LICENSE SALES  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
LICENSE PERIOD ENDING JUNE 30, 2007

<u>License Type</u>	<u>Licenses Sold</u>	<u>License Value</u>	<u>Amount Due Game Commission</u>
Resident			
Adult	334	\$ 19.00	\$ 6,346.00
Junior	9	5.00	45.00
Junior combination	14	8.00	112.00
Senior	56	12.00	672.00
Replacements	11	5.00	55.00
Military	18	1.00	18.00
Non-resident			
Adult	33	100.00	3,300.00
Junior	1	40.00	40.00
Junior combination	2	50.00	100.00
Archery			
Resident	222	15.00	3,330.00
Non-resident	15	25.00	375.00
Replacements	3	5.00	15.00
Muzzleloaders			
Resident	63	10.00	630.00
Non-resident	6	20.00	120.00
Replacements	1	5.00	5.00
Antlerless deer			
Resident	5,123	5.00	25,615.00
Non-resident	74	25.00	1,850.00
Armed forces	14	5.00	70.00
Disabled veterans	5	5.00	25.00
Replacements	9	5.00	45.00
Furtaker			
Adult resident	20	19.00	380.00
Replacements	1	5.00	5.00
Migratory			
Resident	90	2.00	180.00
Non-resident	2	5.00	10.00
Bear			
Resident	54	15.00	810.00
Non-resident	4	35.00	140.00
Totals (Note 2)	<u>6,184</u>		<u>44,293.00</u>
Disbursements to Game Commission (Note 3)			(44,279.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals			<u>(101.00)</u>
Balance due Game Commission (County) per settled reports (Note 4)			(87.00)
Examination adjustments (Note 5)			<u>14.00</u>
Adjusted balance due Game Commission (County) for the license period ending June 30, 2007			<u>\$ (73.00)</u>

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



TREASURER  
DELAWARE COUNTY  
HUNTING LICENSE SALES  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
LICENSE PERIOD ENDING JUNE 30, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>License Value</u>	<u>Amount Due Game Commission</u>
Resident			
Adult	366	\$ 19.00	\$ 6,954.00
Junior	8	5.00	40.00
Junior combination	20	8.00	160.00
Senior	64	12.00	768.00
Replacements	9	5.00	45.00
Military	14	1.00	14.00
Non-resident			
Adult	39	100.00	3,900.00
Seven day	1	30.00	30.00
Archery			
Resident	253	15.00	3,795.00
Non-resident	11	25.00	275.00
Replacements	3	5.00	15.00
Muzzleloaders			
Resident	82	10.00	820.00
Non-resident	4	20.00	80.00
Replacements	1	5.00	5.00
Antlerless deer			
Resident	5,119	5.00	25,595.00
Non-resident	80	25.00	2,000.00
Armed forces	6	5.00	30.00
Disabled veterans	2	5.00	10.00
Replacements	2	5.00	10.00
Furtaker			
Adult resident	29	19.00	551.00
Adult non-resident	1	80.00	80.00
Migratory			
Resident	94	2.00	188.00
Non-resident	4	5.00	20.00
Bear			
Resident	61	15.00	915.00
Non-resident	7	35.00	245.00
Totals (Note 2)	<u>6,280</u>		<u>46,545.00</u>
Disbursements to Game Commission (Note 3)			(46,623.00)
Credits taken for licenses issued for Disabled Veterans and Senior Lifetime Hunt renewals			<u>(114.00)</u>
Balance due Game Commission (County) per settled reports (Note 4)			(192.00)
Examination adjustments (Note 5)			<u>245.00</u>
Adjusted balance due Game Commission (County) for the license period ending June 30, 2008			<u>\$ 53.00</u>

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

TREASURER  
 DELAWARE COUNTY  
 FISHING LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2006

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	137	\$ 2,877.00
Senior resident	9	90.00
National Guard/Armed Forces	4	4.00
Non-resident	2	102.00
Senior lifetime	87	4,350.00
Replacements	9	38.25
Lake Erie Stamp	1	8.00
Lake Erie And Trout/Salmon Combo Stamp	3	42.00
Trout/Salmon Stamp	<u>215</u>	<u>1,720.00</u>
Totals (Note 2)	<u><u>467</u></u>	9,231.25
Disbursements to Fish and Boat Commission (Note 3)		<u>(9,211.25)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		20.00
Examination adjustments		<u>-</u>
Adjusted balance due Fish and Boat Commission (County) for the license period ending December 31, 2006		<u><u>\$ 20.00</u></u>

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

TREASURER  
 DELAWARE COUNTY  
 FISHING LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2007

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Resident	146	\$ 3,066.00
Senior resident	9	90.00
National Guard/Armed Forces	6	6.00
Non-resident	5	255.00
Tourist		
Seven day	2	66.00
Senior lifetime	81	4,050.00
Replacements	7	29.75
Lake Erie Stamp	2	16.00
Lake Erie And Trout/Salmon Combo Stamp	5	70.00
Trout/Salmon Stamp	211	1,688.00
	<hr/>	<hr/>
Totals (Note 2)	<u>474</u>	9,336.75
Disbursements to Fish and Boat Commission (Note 3)		<hr/> <u>(9,328.75)</u>
Balance due Fish and Boat Commission (County) per settled reports (Note 4)		8.00
Examination adjustments		<hr/> -
Adjusted balance due Fish and Boat Commission (County) for the license period ending December 31, 2007		<hr/> <u>\$ 8.00</u>

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

TREASURER  
 DELAWARE COUNTY  
 FISHING LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Fish and Boat Commission</u>
Senior lifetime	1	\$ 50.70
Replacements	1	5.70
Trout/Salmon Stamp	1	8.70
Totals (Note 2)	<u>3</u>	65.10
Disbursements to Fish and Boat Commission (Note 3)		<u>(65.10)</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 ending December 31, 2008		<u>\$ -</u>

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

TREASURER  
 DELAWARE COUNTY  
 DOG LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2006

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	9,135	\$ 49,261.00
Senior citizen	2,092	6,798.00
Lifetime	228	7,030.00
Duplicates	2	10.00
	<hr/>	<hr/>
Totals (Note 2)	<u>11,457</u>	63,099.00
Disbursements to Department of Agriculture (Note 3)		<u>(63,099.00)</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 ending December 31, 2006		<hr/> <u>\$ -</u>

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

TREASURER  
 DELAWARE COUNTY  
 DOG LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2007

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	24,408	\$ 129,864.00
Senior citizen	4,378	14,292.00
Lifetime	760	22,490.00
Totals (Note 2)	<u>29,546</u>	166,646.00
Disbursements to Department of Agriculture (Note 3)		<u>(166,633.00)</u>
Balance due Department of Agriculture (County) per settled reports (Note 4)		13.00
Examination adjustments		<u>-</u>
Adjusted balance due Department of Agriculture (County) for the license period ending December 31, 2007		<u>\$ 13.00</u>

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

TREASURER  
 DELAWARE COUNTY  
 DOG LICENSE SALES  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 LICENSE PERIOD ENDING DECEMBER 31, 2008

<u>License Type</u>	<u>Licenses Sold</u>	<u>Amount Due Department of Agriculture</u>
Individual	10,712	\$57,202.00
Senior citizen	2,433	7,947.00
Lifetime	564	16,440.00
Totals (Note 2)	<u>13,709</u>	81,589.00
Disbursements to Department of Agriculture (Note 3)		<u>(81,589.00)</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 ending December 31, 2008		<u>\$ -</u>

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

TREASURER  
 DELAWARE COUNTY  
 NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
 FOR THE HUNTING LICENSE PERIOD JULY 1, 2005 TO JUNE 30, 2008 AND FOR  
 THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2008

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 hunting and dog licenses for the license years were remitted by check to the appropriate licensing agency with the monthly reports of sales.

The proceeds from the sale of paper fishing licenses for license years 2005 through 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 and 2008 were remitted weekly through an electronic funds transfer program.



TREASURER  
DELAWARE COUNTY  
NOTES TO THE STATEMENTS OF RECEIPTS AND DISBURSEMENTS  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2005 TO JUNE 30, 2008 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2008

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. It does not reflect adjustments disclosed by our examination. Refer to Note 5.

5. Examination Adjustments

Hunting license period ending June 30, 2007

The amount reflected represents immaterial adjustments to various licenses issued during the license period.

Hunting license period ending June 30, 2008

The amount reflected represents immaterial adjustments to various licenses issued during the license period.

6. County Officer Serving During Examination Period

John A. Dowd served as Treasurer during the hunting license period July 1, 2005 to June 30, 2008 and during the fishing and dog license period January 1, 2006 to December 31, 2008.



TREASURER  
DELAWARE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2005 TO JUNE 30, 2008 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2008

Finding - Inadequate Internal Controls Over The Bank Accounts

The office deposits collections for the sales of hunting, fishing, and dog licenses into separate bank accounts for each of the respective licenses. Our examination of the accounting records for the office disclosed the following deficiencies in the internal controls over the bank accounts:

- Monthly bank reconciliations were not properly prepared.
- There was no accountability over undisbursed receipts.

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

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 cash 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.

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

This finding was also cited in our prior audit report, for the hunting license period ending June 30, 2005 and for the fishing and dog license period ending December 31, 2005.

Recommendation

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

Management's Response

No formal response was offered at this time.

TREASURER  
DELAWARE COUNTY  
FINDING AND RECOMMENDATION  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2005 TO JUNE 30, 2008 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2008

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

Auditor's Conclusion

This is a recurring finding. We strongly recommend that the office comply with our recommendation.

TREASURER  
DELAWARE COUNTY  
REPORT DISTRIBUTION  
FOR THE HUNTING LICENSE PERIOD JULY 1, 2005 TO JUNE 30, 2008 AND FOR  
THE FISHING AND DOG LICENSE PERIOD JANUARY 1, 2006 TO DECEMBER 31, 2008

This report was initially distributed to:

The Honorable Robert M. McCord  
Pennsylvania State Treasurer

The Honorable Russell C. Redding  
Secretary  
Department of Agriculture

Ms. Susan L. West  
Director  
Department of Agriculture

Dr. Douglas J. Austen  
Executive Director  
Fish and Boat Commission

Mr. Carl G. Roe  
Executive Director  
Pennsylvania Game Commission

The Honorable John A. Dowd	Treasurer
The Honorable Cynthia F. Leitzell	Controller
The Honorable John J. Whelan	Chairman of the County Council

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, 318 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](http://www.auditorgen.state.pa.us).