



Pennsylvania Department of the

AUDITOR GENERAL

Facebook: Pennsylvania Auditor General

Twitter: @PaAuditorGen

News for Immediate Release

Aug. 29, 2018

Auditor General DePasquale Finds Incompetence in Handling of West York Borough Liquid Fuels Money

State allocation in 2016 was deposited into wrong account; 2017 allocation was never deposited

WEST YORK – Auditor General Eugene DePasquale today said his recent audit of West York Borough’s Liquid Fuels Tax Fund showed sloppy record-keeping led to state allocations being mishandled two consecutive years.

“The West York Borough liquid fuels account audit showed several errors best described as the result of incompetence,” DePasquale said. “We found some funds were deposited late, some were not deposited at all, and this account lacked internal controls.”

The Pennsylvania Department of Transportation (PennDOT) is responsible for providing municipalities with an equitable share of money from liquid fuels taxes collected from various driver fees and the gasoline tax through the state’s Motor License Fund. The money is to be used to maintain and repair municipal streets, roads and bridges.

The 21-page audit covers 2016 and 2017 and contains three findings and four recommendations.

For example, auditors discovered that the borough waited 45 days to deposit its 2016 liquid fuels check for \$107,333.77 — then wrongly deposited it into the borough’s general fund instead of the liquid fuels account.

“First of all, waiting 45 days to deposit a check is just a bad idea,” DePasquale said. “The longer that check sits there, the higher the chance for it to be mishandled and the more interest the borough misses.

“Second, mingling the liquid fuels money with the borough’s general fund increases the risk of the money being misspent.”

Then, in 2017, PennDOT withheld the borough’s liquid fuels disbursement for nine months because it had not submitted all necessary documentation. Once the documentation was submitted, PennDOT cut a check to the borough on Dec. 21, 2017 for \$112,335.64 — but that check was never deposited.

Borough management told auditors that check was never received, so the borough has formally requested reissuance of the check.

“How do you lose track of the fact that you’re waiting for a \$112,000 check?” DePasquale said. “Clearly, borough management needs to pay closer attention to the finances.”

Auditors also found that the borough required only one signature on checks written from the liquid fuels account. To ensure accuracy and help prevent mishandling of funds, auditors recommend that two people sign each check.

“Again, I believe this was simply a case of lack of knowledge,” DePasquale said. “There was clearly a learning curve that needed to happen in West York regarding how liquid fuels money was to be handled. My team will verify in the next audit how the borough addressed these deficiencies.”

In its official response to the audit, the borough manager/secretary/treasurer said changes have been made to comply with the latest recommendations, including setting up direct deposit of all future liquid fuels allocations from PennDOT.

The Borough of West York Liquid Fuels Tax Fund [audit report is available online at: www.PaAuditor.gov](#).

###