

## AUDIT FINDINGS AND RECOMMENDATIONS

### 1. TAX COLLECTORS

#### Statement of Findings

**A. Tax Collectors – 2012** – The Tax Collectors books were audited for the year 2012.

- 1) Amount owed to Tax Claim for Delinquent Taxes \$252.37 owed by Rainsburg Borough.
- 2) Amount refunded to West Providence Tax Collector for overpayment was \$134.58.

**B. Tax Collectors – 2013** - The Tax Collector books were audited for the year 2013.

- 1) Rainsburg Borough Tax Collector owes the county \$245.98
- 2) Rainsburg Borough Tax Collector failed to make settlement with the County until February 27, 2014.
- 3) Manns Choice Borough Tax Collector owes the County \$683.83
- 4) Amount refunded to Cumberland Valley Tax Collector for overpayment- \$40.96
- 5) Amount refunded to West Providence Tax Collector for overpayment - \$216.48

**C. Hyndman Borough Tax Collector – 2012 & 2013**

- 1) The Tax Collector failed to make settlement of her 2012 Tax Duplicate with the County by the deadline date of January 15, 2013. Settlement was not made until February 25, 2013.
- 2) 2012 Tax Money in the amount of \$6,324.45 was collected in 2012, but not paid to the County until July 1, 2013.
- 3) The Tax Collector failed to make settlement of her 2013 Tax Duplicate with the County by the deadline date of January 15, 2014. Settlement was not made until February 28, 2014.
- 4) Tax Collections in the amount of \$113,731.11, of which \$68,028.39 was County money, collected from February through June of 2013 was not deposited in the bank until June 28, 2013. This money was not turned over to the County until July 1, 2013. The remainder of 2013 Tax Collections were held and not turned over to the County until March of 2014. There were no deposits made from July until October, 2013 indicating that payments received for taxes were held for several months.
- 5) The 2013 Audit showed a balance of \$3,073.43 still due to the County.

**NOTE: The Tax Collector turned the outstanding amount over to the County on May 12<sup>th</sup>, 2014.**

**Recommendation** – According to the Local Tax Collection Law, the Tax Collector must turn their collections over by the 10<sup>th</sup> of each month for the prior month's collections. The Tax Collector is also required to make a final and complete settlement for all taxes for the prior calendar year with the proper authority of the taxing district, in this case, the Bedford County Tax Claim Office, by January 15<sup>th</sup>.

We recommend that steps be taken to ensure that the collections are paid over the county in a timely manner.

**2. RETIREMENT**

**Statement of Findings**

A. As of December 31, 2013, the employees' contribution (money deducted from the employee's pay) had not been deposited into the retirement account since June of 2013.

**Recommendation** – We continue to recommend that this money be deposited in a timely manner.

**3. PROBATION FUND - SUPERVISION FUND**

**Statement of Findings**

As of December 31, 2013, the balance owed to the County for Salary and Benefit reimbursements is as follows:

<b>2010</b>	Salary & Benefits of the Assistant to the Director of Probation	\$ 31,683.66
	Employee Salary Directives/Benefits as per Judge Ling	
	Including Overtime and On-Call Pay w/Benefits	\$ 92,141.31
<b>2011</b>	Salary & Benefits of the Asst. to the Director of Probation	\$ 32,108.26
	Employee Overtime & On-Call Pay w/Benefits	\$ 23,832.05
<b>2012</b>	Salary & Benefits of the Assistant to the Director of Probation	\$ 32,802.27
	Overtime & On-Call Pay w/ Benefits	\$ 35,590.88
	Payroll Deductions/Employer Share of Taxes for Court Ordered	
	Withdrawal for Overtime, On-Call Pay and Bonuses for	
	Chief Probation Officer and the Assistant to the Director	\$ 2,922.72
<b>2013</b>	Salary & Benefits of the Assistant to the Director of Probation	\$ 32,000.00
	(The above amount is estimated, based on previous years)	
	Employee Overtime & On-Call Pay w/Benefits	<u>\$ 22,390.55</u>
<b>As of December 31, 2013, Total owed to County General Fund</b>		<b>\$306,471.70</b>

## **2011 – 2012 Repeat & Additional Findings**

### **2011-1B Rainsburg Borough – Colleen Peake, Tax Collector (Former)**

#### **Statement of Findings**

- 1) The Tax Collector failed to turn over the 2010 Tax Duplicate; therefore we were unable to complete the audit of the 2010 tax collections.
- 2) The Tax Collector failed to turn over any money to the County for taxes collected in 2011.

**Additional Findings** – The Tax Collector failed to turn over monthly collection reports for 2011. She also failed to turn over the 2011 Tax Duplicate and final reports to close her books for 2011.

**NOTE:** On February 29, 2014, the Tax Collector paid \$ 7,461.55 for 2011 Tax money collected to the County and turned over her 2011 Duplicate, but failed to make complete settlement for 2011 with the Tax Claim Office. This matter is still under investigation.

### **2011– 1D New Paris Borough – Kerri Mickel, Tax Collector**

- 1) An audit of this account revealed transactions of an undetermined amount were made with the Tax Collectors' checking account that is not in accordance with the Local Tax Collection Law. Monies were used for personal bill payments.

**Additional Findings** – Additional information was presented to the Auditors Office for review following the close of the 2011 Audit. It was determined that transactions totaling \$12,729.34 were made that were not in accordance with the Local Tax Collection Law. It was also discovered that the Tax Collector was using multiple bank accounts.

**NOTE:** The above findings were turned over to the District Attorney's office and are currently under investigation.

### **2012-2-B RETIREMENT**

As of December 31, 2013, the total required County contribution determined by the actuary had not been deposited into the retirement fund.

**Recommendation** – To ensure that the retirement fund is actuarially sound and to comply with Act 96 of 1971 of the County Pension Law, we continue to recommend that the contributions be made in a timely manner.