



CONTROLLER'S OFFICE

COUNTY OF BUCKS

Administration Building

55 East Court Street, Doylestown, PA 18901-4318

(215) 348-6435 • Fax (215) 348-6107

December 29, 2017

Commissioner Charles H. Martin, Chairman
County of Bucks
Commissioners' Office
55 East Court Street
Doylestown, PA 18901

Re: Audit of Betsey Kelly, Bristol Township Tax Collector

Dear Chairman Martin:

Enclosed is the report for the audit of the Settlement of Duplicates for the Bucks County real estate taxes of the Bristol Township Tax Collector, Betsey Kelly, for the tax years ended January 15, 2016, 2015 and 2014. The January 15th dates reflect the settlement dates for the three tax years included in the audit period. The section of the report titled Report to Management includes our findings and recommendations.

This examination was made in order to ascertain that Bucks County real estate tax collections were properly processed, that adequate and accurate financial records were maintained by the Tax Collector to reflect compliance to the *Tax Collector's Manual*, the *Local Tax Collection Law* and County policies and that the said collections were properly forwarded to the County. The audit was conducted in accordance with U.S. generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We express our appreciation for the courtesies extended to our auditors and acknowledge the cooperative assistance we received from the Tax Collector.

Should you have any questions regarding this audit, please call us at (215) 348-6556 between 7:00 a.m. and 5:00 p.m.

Sincerely,

Michael J. Gallagher
Bucks County Controller

16-45
MJG/mkw

cc: Betsey Kelly, Bristol Township Tax Collector
Brian Henthaler, CPA, Chief Operating Officer, Commissioners' Office, County of Bucks
David P. Boscola, Director, Finance Department, County of Bucks

COUNTY OF BUCKS
BETSEY KELLY
BRISTOL TOWNSHIP TAX COLLECTOR
For the Period
January 16, 2013 through January 15, 2016

County of Bucks
Betsey Kelly
Bristol Township Tax Collector
For the Period January 16, 2013 through January 15, 2016

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INDEPENDENT AUDITORS' REPORT

To Commissioner Charles H. Martin, Chairman
County of Bucks
Commissioners' Office
55 East Court Street
Doylestown, PA 18901

We have audited the accompanying Settlement of Duplicates – cash basis, applicable to Bucks County (County) real estate taxes of the Bristol Township Tax Collector (Tax Collector), for the tax years ended January 15, 2016, 2015 and 2014, and the related notes to the Settlement of Duplicates.

Management's Responsibility for the Settlement of Duplicates

The Tax Collector is responsible for the preparation and fair presentation of the Monthly Report to Taxing Districts (MRTD) sheets, which are the basis for the preparation of the Settlement of Duplicates in accordance with the cash basis of accounting described in Note 1.D. The Tax Collector is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Settlement of Duplicates that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Settlement of Duplicates based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Settlement of Duplicates are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Settlement of Duplicates. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Settlement of Duplicates, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Tax Collector's preparation and fair presentation of the Settlement of Duplicates in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the Tax Collector, if any, as well as evaluating the overall presentation of the Settlement of Duplicates.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Continued...

Opinion

In our opinion, the Settlement of Duplicates referred to in the first paragraph present fairly, in all material respects, the total amount the Tax Collector is responsible to collect and the total amount reported by the Tax Collector, for the tax years ended January 15, 2016, 2015 and 2014, in accordance with the cash basis of accounting as described in Note 1.D.

Emphasis of Matter and Basis of Accounting

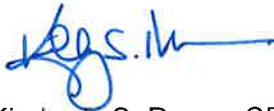
We draw attention to Note 1.C. to the Settlement of Duplicates, which describes that the settlement is prepared to present a reconciliation between the amount of County real estate taxes the Tax Collector is responsible to collect and the reported collection, liened and non-lienable amounts, and is not intended to be a complete presentation of the Tax Collector's financial activities. The County has accepted the Settlement of Duplicate format as a means for presenting this reconciliation.

We also draw attention to Note 1.D. to the Settlement of Duplicates, which describes the basis of accounting. The Settlement of Duplicates are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles.

Our opinion is not modified with respect to either matter.

Restriction on Use

This report is intended solely for the information and use of the Tax Collector and the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Kimberly S. Doran, CPA, Bucks County Deputy Controller
Doylestown, Pennsylvania

December 21, 2017
16-45

County of Bucks
Bristol Township Tax Collector

Settlement of Duplicate
For the Tax Year Ended January 15, 2016
Tax Year 2015
(Cash Basis)

Amount the Tax Collector is Responsible to Collect

Amount to be Collected in Current Year:

Total Carried Forward from Prior Year	\$	200
2015 Tax Year - Original Duplicate		9,666,971
2015 Tax Year - Interim Billings/Adjustments		7,720
2014 Tax Year - Interim Billings/Adjustments		<u>2,781</u>
Total Amount the Tax Collector is Responsible to Collect	\$	<u>9,677,672</u>

Amount Reported by Tax Collector

Amount Collected from Taxpayers as Reported to the County	\$	9,169,791
Add: Discounts taken by Taxpayers		164,236
Less: Penalties paid by Taxpayers		<u>(32,413)</u>
Amount Collected at Face Value of Tax Bills	\$	9,301,614
Unpaid Taxes to be Liened as Reported to the County:		
2015 Tax Year - Original Duplicate/Interim Billings/Adjustments		371,795
2014 Tax Year - Interim Billings/Adjustments		<u>597</u>
Total Unpaid Taxes before Lien Removals		372,392
Less: Lien Removals from January 16, 2016 to December 21, 2017		<u>(-)</u>
Net Unpaid Taxes to be Liened as Reported to the County		372,392
Less: Refunds at Face Value made by Finance Department from January 16, 2015 to December 21, 2017		<u>(-)</u>
Non-Lienables Carried Forward:		
2015 Tax Year - Interim Billings/Adjustments		2,359
2014 Tax Year - Interim Billings/Adjustments		<u>1,307</u>
Total Non-Lienables Carried Forward		<u>3,666</u>
Total Amount Reported by Tax Collector	\$	<u>9,677,672</u>
Variance - Net Amount Under/(Over) Reported to the County	\$	<u>-</u>

See Notes to the Settlement of Duplicates.

County of Bucks
Bristol Township Tax Collector

Settlement of Duplicate
For the Tax Year Ended January 15, 2015
Tax Year 2014
(Cash Basis)

Amount the Tax Collector is Responsible to Collect

Amount to be Collected in Current Year:

Total Carried Forward from Prior Year	\$ 2,515
2014 Tax Year - Original Duplicate	9,663,574
2014 Tax Year - Interim Billings/Adjustments	21,191
2013 Tax Year - Interim Billings/Adjustments	<u>16,173</u>

Total Amount the Tax Collector is Responsible to Collect \$ 9,703,453

Amount Reported by Tax Collector

Amount Collected from Taxpayers as Reported to the County	\$ 9,178,498
Add: Discounts taken by Taxpayers	165,782
Less: Penalties paid by Taxpayers	<u>(29,132)</u>
Amount Collected at Face Value of Tax Bills	\$ 9,315,148
Unpaid Taxes to be Liened as Reported to the County:	
2014 Tax Year - Original Duplicate/Interim Billings/Adjustments	386,720
2013 Tax Year - Interim Billings/Adjustments	<u>1,385</u>
Total Unpaid Taxes before Lien Removals	388,105
Less: Lien Removals from January 16, 2015 to December 21, 2017	<u>(-)</u>
Net Unpaid Taxes to be Liened as Reported to the County	388,105
Less: Refunds at Face Value made by Finance Department from January 16, 2014 to December 21, 2017	(-)
Total Non-Lienables Carried Forward:	
2014 Tax Year - Interim Billings/Adjustments	<u>200</u>
Total Amount Reported by Tax Collector	<u>\$ 9,703,453</u>
Variance - Net Amount Under/(Over) Reported to the County	<u>\$ -</u>

See Notes to the Settlement of Duplicates.

County of Bucks
Bristol Township Tax Collector

Settlement of Duplicate
For the Tax Year Ended January 15, 2014
Tax Year 2013
(Cash Basis)

Amount the Tax Collector is Responsible to Collect

Amount to be Collected in Current Year:

Total Carried Forward from Prior Year	\$	281
2013 Tax Year - Original Duplicate		9,720,252
2013 Tax Year - Interim Billings/Adjustments		(47,703)
2012 Tax Year - Interim Billings/Adjustments		<u>88</u>
Total Amount the Tax Collector is Responsible to Collect	\$	<u>9,672,918</u>

Amount Reported by Tax Collector

Amount Collected from Taxpayers as Reported to the County	\$	9,156,381
Add: Discounts taken by Taxpayers		158,665
Less: Penalties paid by Taxpayers		<u>(29,496)</u>
Amount Collected at Face Value of Tax Bills	\$	9,285,550
Unpaid Taxes to be Liened as Reported to the County:		
2013 Tax Year - Original Duplicate/Interim Billings/Adjustments		384,759
2012 Tax Year - Interim Billings/Adjustments		<u>7</u>
Total Unpaid Taxes before Lien Removals		384,766
Less: Lien Removals from January 16, 2014 to December 21, 2017		<u>(-)</u>
Net Unpaid Taxes to be Liened as Reported to the County		384,766
Less: Refunds at Face Value made by Finance Department from January 16, 2013 to December 21, 2017		(-)
Total Non-Lienables Carried Forward:		
2013 Tax Year - Interim Billings/Adjustments		<u>2,515</u>
Total Amount Reported by Tax Collector	\$	<u>9,672,831</u>
Variance - Net Amount Under/(Over) Reported to the County	\$	<u>87</u>

See Notes to the Settlement of Duplicates.

NOTES TO THE SETTLEMENT OF DUPLICATES

1. Summary of Significant Accounting Policies

The major accounting principles and practices followed by the Tax Collector and the County are presented below to assist the reader in understanding the Settlement of Duplicates. The accounting principles and practices are presented in conformity with a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A. Nature of Operations

Bristol Township is a home rule charter municipality and as such, the Tax Collector is not an elected position. Instead, the municipality hires an employee to fill the Tax Collector position. During the audit period, Betsey Kelly was the designated Tax Collector who was responsible for the billing, collection and disbursement of County real estate taxes as well as other taxes and fees.

B. Reporting Entity

The accompanying Settlement of Duplicates are presented from only the financial transactions/records directly related to the County real estate taxes handled by the Tax Collector. The financial transactions consist primarily of real estate taxes collected, discounts taken and penalties paid. The Settlement of Duplicates do not present the financial activities of the Tax Collector or the County taken as a whole.

C. Basis of Presentation

The County requires Tax Collectors to settle County real estate taxes on or before January 15th of the succeeding year. As such, the County accepted the Settlement of Duplicate format to reflect the activities associated with the settlement of County real estate tax duplicates in the Tax Collector's possession during the period under audit. Specifically, the Settlement of Duplicate presents a reconciliation between the amount of County real estate taxes the Tax Collector is responsible to collect and the collection, lien and non-lienable amounts reported by the Tax Collector.

Section 25 (Collection and Payment Over of Taxes) of the *Local Tax Collection Law* requires the Tax Collector to report the monthly real estate tax activities to the County on a standardized form commonly known as the MRTD sheet. Except for the "Refunds at Face Value made by Finance Department" amount, the amounts presented under the "Amount Reported by Tax Collector" section of the Settlement of Duplicate is an accumulation of information reported on the MRTD sheets for the given tax year.

D. Basis of Accounting

The Tax Collector prepares the required MRTD sheets in accordance with the financial reporting provisions prescribed by the Pennsylvania Department of Community and Economic Development, which is essentially the cash basis of accounting. Since the accompanying Settlement of Duplicates are primarily summaries of amounts reported on the MRTD sheets for the given tax years, the Settlement of Duplicates are prepared and presented on the same basis. Under the cash basis, the only asset recognized is

Continued...

NOTES TO THE SETTLEMENT OF DUPLICATES

1. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

cash, and no liabilities are recognized. Unless otherwise noted, the County portion of the real estate tax revenue collected and disbursed by the Tax Collector during a given tax year is presented on the accompanying Settlement of Duplicates as the "Amount Collected from Taxpayers as Report to the County". The cash basis differs from U.S. generally accepted accounting principles primarily because the effects of accounts receivable and accounts payable are not reflected in the accompanying Settlement of Duplicates. The cash basis of accounting is an acceptable basis of accounting for the Settlement of Duplicates.

E. Amount to be Collected

Upon successful settlement of a prior year duplicate, on February 1st of each year the County issues to the Tax Collector the current year's tax duplicate, which represents County real estate taxes to be collected. In addition to the duplicate, the County may issue, throughout the year, interim adjustments. Therefore, the total amount of County real estate taxes to be collected in a tax year is the duplicate amount plus and/or minus any interim adjustment amounts.

F. Cash

Deposits in the banking institutions are insured by the Federal Deposit Insurance Corporation and/or are fully collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly.

G. Original Duplicate/Interim Billings/Adjustments

The Original Duplicate/Interim Billings/Adjustments amounts presented under the "Amount the Tax Collector is Responsible to Collect" on the accompanying Settlement of Duplicates represent the total original duplicate plus and/or minus all applicable interim adjustments issued for the period indicated.

H. Date of Management's Review

The Tax Collector has evaluated subsequent events through December 21, 2017, the date on which the Settlement of Duplicates were available to be issued. No events have taken place that affect the Settlement of Duplicates or require disclosure.

2. Net Amount Under Reported

As indicated on the accompanying Settlement of Duplicate for the tax year ended January 15, 2014, the Tax Collector under reported \$87. The specific cause of this variance is further discussed in the Report to Management.



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REPORT ON SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To Commissioner Charles H. Martin, Chairman
County of Bucks
Commissioners' Office
55 East Court Street
Doylestown, PA 18901

In planning and performing our audit of the Settlement of Duplicates, for the tax years ended January 15, 2016, 2015 and 2014, in accordance with U.S. generally accepted auditing standards, we considered the Tax Collector's internal control over the financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Settlement of Duplicates, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management's override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

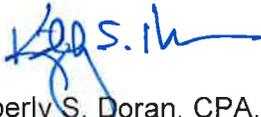
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector's Settlement of Duplicates will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in F1. of the Internal Control section, F1. and F2. of the Cash-Bank Analysis section and F1. of the Compliance section of the Report to Management to be significant deficiencies.

The Tax Collector's written response to the findings identified in our audit and presented in the Report to Management was not subjected to the audit procedures applied in the audit of the Settlement of Duplicates and, accordingly, we express no opinion on it.

Continued...

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Kimberly S. Doran, CPA, Bucks County Deputy Controller
Doylestown, Pennsylvania

December 21, 2017
16-45

REPORT TO MANAGEMENT

COVER LETTER

We have audited the Settlement of Duplicates, applicable to County real estate taxes of the Tax Collector, for the tax years ended January 15, 2016, 2015 and 2014. Professional standards require that we provide the Tax Collector with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to the Tax Collector dated December 5, 2016. Professional standards also require that we communicate the following information related to our audit.

Audit Findings Overview

Qualitative Aspects of Accounting Practices

The Tax Collector is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Tax Collector are described in Note 1 to the Settlement of Duplicates. No new accounting policies were adopted and the application of existing policies was not changed during the audit period. We noted no transactions entered into by the Tax Collector during the audit period for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Settlement of Duplicates in the proper period.

The Settlement of Duplicate disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with the Tax Collector in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As a result of the audit procedures, we did not detect any misstatements that required correction by management.

Disagreements with the Tax Collector

For purposes of this letter, a disagreement with the Tax Collector is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Settlement of Duplicates or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations from the Tax Collector

We have requested certain representations from the Tax Collector that are included in the management representation letter dated December 21, 2017.

Continued...

Bristol Township Tax Collector

REPORT TO MANAGEMENT

COVER LETTER

Purpose

In reviewing this report, it is important to remember that this letter addresses those conditions that we believe should be brought to the attention of the Tax Collector, and accordingly, does not recite the many sound controls that presently exist. Furthermore, our suggestions should not be construed as a criticism of or a reflection on the integrity of the Tax Collector.

Report Distribution

This report is intended solely for the information and use of the Tax Collector and the County. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

REPORT TO MANAGEMENT

FINDINGS AND RECOMMENDATIONS

Legend:

F – Finding

R – Recommendation

The Tax Collector's Office consisted of one (1) Tax Collector and five (5) Assistants.

During our audit, we became aware of significant deficiencies in internal control that have been identified as such in the separate report titled "Report on Significant Deficiencies and Material Weaknesses" dated December 21, 2017. The Internal Control, Cash-Bank Analysis and Compliance sections of the Report to Management detail the significant deficiencies noted in the Tax Collector's control environment and our recommendations for improvement. The Report to Management does not affect our "Independent Auditors' Report" dated December 21, 2017, on the Tax Collector's Settlement of Duplicates.

Internal Control

A review of the internal control environment disclosed the following:

- F1. A review of the financial transactions recorded and the procedures performed by the Tax Collector revealed that there was a general lack of segregation of duties among the authorization, execution and recording of the County real estate tax transactions and the related assets.
- R1. Although the small size of the office staff limits the extent of separation of duties, certain steps should be taken to separate incompatible duties. The basic premise to any internal control structure is that no one (1) individual should have access to both physical assets and the related accounting records or to all phases of a transaction.

Auditee's Response:

- F1. While true as far as it goes these can be overcome by sufficient monitoring. We feel the monitoring mitigates the segregation of duties. We will try to introduce another person into the equation.

Cash-Bank Analysis

Included within the audit were procedures to verify, through random selection of monthly bank statements, that the Tax Collector made only appropriate disbursements, maintained up-to-date checkbook balances, prepared monthly bank reconciliations and utilized the account for only tax collection activities.

- F1. In order to determine whether the Tax Collector maintained adequate accounting records to support the source of the funds that made up the \$10,737, \$8,656 and \$10,628 adjusted bank statement balances as of January 15, 2016, 2015 and 2014, respectively, we reviewed documents and inquired as to the composition of these balances. This analysis disclosed the following conditions:

Continued...

REPORT TO MANAGEMENT

FINDINGS AND RECOMMENDATIONS

Cash-Bank Analysis (Continued)

- The Tax Collector could not determine the source of \$2,567, \$2,242 and \$2,237 of the adjusted bank statement balances, respectively.
- Twelve (12) outstanding checks totaling \$3,227, issued as far back as 2005, were included in this analysis even though the checks had exceeded the *Pennsylvania Unclaimed Property Law's* three (3) year dormancy period.
- There was \$403 of unreimbursed service charges as of the end of the audit period that were not reversed by the bank and/or reimbursed by the Township.

R1. In order to address each of these issues, the Tax Collector should perform the following:

- Immediately take the necessary steps to determine the composition of the net cash balance.
- Take the appropriate action to comply with the *Pennsylvania Unclaimed Property Law*. Additionally, in order to remain in compliance, a monthly procedure should be established to remove any checks that are outstanding for more than six (6) months. After the Tax Collector has exhausted all efforts to contact the original payee(s), a check for the appropriate amount(s) should be forwarded to the appropriate taxing district(s) to be placed in an unclaimed funds account. A listing of the original payee(s) and corresponding amount(s) should be forwarded to the applicable taxing district(s) and a copy retained by the Tax Collector. Should someone make a claim against the unclaimed funds, the Tax Collector should request that each taxing district return the funds to the proper party.
- Contact the bank to request the reversal of the unreimbursed service charges accrued during the prior audit period and/or reimburse the tax account through the Township's general fund.

F2. A review of the December 2015, 2014 and 2013 bank reconciliations disclosed that one (1) outstanding check for \$952 was inappropriately listed because the check had been voided in a prior period. Consequently, when this check was removed from the outstanding check list, the adjusted bank statement balance did not equal the adjusted checkbook balance by \$952.

R2. The Tax Collector should work with the Township's finance department to rectify this condition.

Auditee's Response:

- F1a. We believe we have complete accountability. Things were clearly listed as either outstanding checks, accounts receivable, accounts payable to other funds, or to the State. We did not have the detail to one of the numbers on that composition. These amounts will be ascertained and journaled out as appropriate.

Continued...

REPORT TO MANAGEMENT

FINDINGS AND RECOMMENDATIONS

Cash-Bank Analysis (Continued)

- F1b. We will do what we have to, to comply with the escheat law.
- F1c. We will refund the service charges from our General Fund.
- F2. Since we did not know this as it dates back to 2006 we would be hard pressed to fix it in a timely manner. We will adjust it out in the appropriate manner.

Compliance

In order to determine whether the Tax Collector was in compliance with certain provisions of the *Tax Collector's Manual*, *Local Tax Collection Law* and County policies, we reviewed MRTD sheets, tax notices, disbursement practices and other appropriate documentation.

- F1. Although the Township passed a resolution to provide certain classifications of taxpayers the option of paying the County and Township real estate taxes through an installment payment arrangement, we noted the following issues pertaining to this resolution and process:
 - As per the *Pennsylvania Statutes Title 72 P.S. Taxation and Fiscal Affairs §5511.11, Installment Payment of Taxes*, a resolution established to allow installment payments "...shall set forth the number of installments in which taxes shall be paid and the dates when the respective installments become due and delinquent." This statement was not included in the resolution.
 - The resolution referenced the allowance of installment payments of County real estate taxes without approval from a County official(s).
 - While the resolution offered the installment payment option to only certain classifications of taxpayers, the Tax Collector did not limit this option to only those groups.
 - The form used to document the taxpayers making installment payments was outdated.
- R1. The Tax Collector should work with the Township and the County to resolve these matters.
- F2. An analysis of the January 15, 2014 composition of the bank account balance disclosed that six (6) interim payments processed and deposited in January 2014 were not remitted to the County until March 3, 2014.
- R2. In accordance with Section 25 of the *Local Tax Collection Law*, "The collector shall pay over on or before the tenth day of each month...all monies collected as taxes during the previous month..."

Auditee's Response:

- F1. We will do what we have to bring this into compliance.

Continued...

REPORT TO MANAGEMENT

FINDINGS AND RECOMMENDATIONS

Compliance (Continued)

F2. We will begin to transfer regardless of the amount in the appropriate time frame.

Settlement of Duplicate

In order to determine whether the Settlement of Duplicates were accurately presented, we reviewed the MRTD sheets submitted to the Finance Department. The review included a verification of the cash collected, discounts taken, penalties paid and debit and credit interims including lienable and non-lienable amounts.

F1. Although we determined that the combined Settlement of Duplicates as of the applicable lien dates were fairly presented, in all material respects, we noted the following variances within the individual settlements:

<u>Item to be Settled for Tax Year Ended January 15, 2014</u>	<u>Under/(Over) Reported to the County</u>
2012 Tax Year – Interim Billings/Adjustments	\$ -
2013 Tax Year – Original Duplicate/Interim Billings/Adjustments	<u>87</u>
Variance – Net Amount Under Reported to the County	\$ <u>87</u>

Upon analyzing the net under reported variance, we believe that the following condition was attributed to the variance:

Variance – Net Amount Under Reported to the County	\$ 87
Less: Improper reporting and billing of one (1) credit interim adjustment	<u>(87)</u> ^(a)
Unidentified Net Variance	\$ <u>-</u>

^(a) When utilizing a credit interim adjustment, the Tax Collector did not properly calculate the adjusted tax notice amount. Consequently, the amount reported to be billed and the subsequent collection of the taxes was incorrect. The effect of this error on the accompanying Settlement of Duplicate for the tax year ended January 15, 2014 resulted in the "Total Amount Reported by Tax Collector" being understated by \$87.

R1. It is the Tax Collector's responsibility to prepare and maintain accurate accounting records to support all transactions involving the collection and disbursement of County real estate taxes and to settle all duplicates to zero. The Tax Collector should take the necessary steps to correct this error and to file all necessary revised MRTD sheets.

Auditee's Response:

F1. Once this was brought to my attention I immediately sent out a revised Interim Bill.

SUMMARY OF THE EXIT CONFERENCE

An exit conference was held via conference call on November 22, 2017. Those participating in the conference call were:

Bristol Township Tax Office

Betsey Kelly, Tax Collector
Francis Phillips, Finance Officer

Controller's Office

Denise Rimby, CPA, Audit Supervisor
Michael Adams, Auditor

The results of the audit were presented and discussed in their entirety.