Kimbery Scolese, Falls Township Tax Collector

cc: KSD/mkw
1-5-22

Attending Boards County Controller
Kimbery S. Doran CPA

Sinceley,

4:00 p.m.

Should you have any questions regarding this audit, please call us at (215) 348-6565 between 7:30 a.m. and 4:00 p.m.

We express our appreciation for the cooperation extended to our auditors and acknowledge the cooperation procedures as we considered necessary in the circumstances.

This examination was made in order to ascertain that the books, accounts, and records were properly maintained by the Tax Collector and received.

Report to Management includes our findings and recommendations.

Re: Falls Township Tax Collector
Kimbery Scolese
P.O. Box 18901
55 East Court Street
Commissioners Office
County of Bucks

February 8, 2016
January 16, 2014 through January 15, 2015
For the Period

FALLS TOWNSHIP TAX COLLECTOR
KIMBERLY SCARPIELLO
COUNTY OF BUCKS
EXIT CONFERENCE ATTENDANCE

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FINDINGS AND RECOMMENDATIONS

COVER LETTER

REPORT TO MANAGEMENT:

REPORT ON SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

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NOTES TO THE STATEMENT OF DUPLICATE
SETTLEMENT OF DUPLICATE - FOR THE TAX YEAR ENDED JANUARY 15, 2015 (CASH BASIS)

SPECIAL-PURPOSE STATEMENT:

INDEPENDENT AUDITORS' REPORT

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For the Period January 16, 2014 Through January 15, 2015
Falls Township Tax Collector
Kimberly Scarpello
County of Bucks
For our audit opinion, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expressing an opinion on the overall presentation of the consolidated financial statements in accordance with U.S. Generally Accepted Auditing Standards. Our opinion is expressed in accordance with the provisions of U.S. Generally Accepted Auditing Standards and is based on the audit of the financial statements, which are the responsibility of the management of the duplicate.

We have audited the accompanying financial statements of the County of Bucks, for the fiscal year ended June 30, 2015, including the related schedules, and these financial statements include the consolidated financial statements of the County of Bucks, as well as the related notes to the consolidated financial statements. Our audit was conducted in accordance with standards of the American Institute of Certified Public Accountants. Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.
January 25, 2016

Kimberly S. Donah, CPA, Acting Bucks County Controller

15-02

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

Restriction on Use

Our opinion is not modified with respect to either matter.

We also draw attention to Note 1. to the Settlement of Duplicate, which describes the basis of accepted the Settlement of Duplicate format as a means for presenting this reconciliation.

We drew attention to Note 1, to the Settlement of Duplicate, which describes the basis of emphasis of matter and basis of accounting.

In our opinion, the Settlement of Duplicate referred to in the first paragraph presents fairly, in all.

Opinion
See Notes to the Settlement of Duplicate.

Net Variance - Net Amount Under(Over) Reported to the County

Add: Prior Audit Period Missed Debit Interim Note Issued on January 16, 2015

Variance - Net Amount Under(Over) Reported to the County

<table>
<thead>
<tr>
<th>Amount Reported by Tax Collector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Variance</td>
</tr>
<tr>
<td>$ 7,989.947</td>
</tr>
<tr>
<td>1.422</td>
</tr>
<tr>
<td>$ 7,925</td>
</tr>
</tbody>
</table>

Non-Interviewed Carded Forward:

2012 Tax Year - Interim Billings (See Below for Prior Audit Period Correction)

2013 Tax Year - Interim Billings

2014 Tax Year - Interim Billings

Less: Returns at Face Value Made by Finance Department from

July 16, 2014 to January 25, 2016


Less: Letis Then Remains before Letis Removals

Total Unpaid Taxes to be Lented as Reported to the County:

Amount Collected at Face Value of Tax Bills

Amount Collected from Taxpayers as Reported to the County

Amount Reported by Tax Collector

$ 7,246.861

(16,269)

133,486

$ 7,192,493

($ 7,989.947 - $ 7,192,493 = $ 7,246.861)

Total Amount the Tax Collector is Responsible to Collect

2013 Tax Year - Interim Billings

2014 Tax Year - Interim Billings

2014 Tax Year - Original Duplicate/Interim Billings

Total Camed Forward from Prior Year

2012 Tax Year - Interim Billings

2011 Tax Year - Interim Billings

Amount to be Collected in Current Year

For the Tax Year Ended January 15, 2015

Settled on Duplicate

Falls Township Tax Collector

County of Bucks

(Cash Basis)

Tax Year 2014
Continued:

The real estate tax revenue collected and disbursed by the Tax Collector during a given year is presented on the same basis as the annual statement of disbursements prepared and submitted to the Township for the preceding year. The settlement of disbursement is primarily a summary of amounts reported on the WRTD sheet for the given tax year. The settlement of duplication is prepared on a standardized form commonly known as the WRTD sheet.

The accompanying statement of duplication must be submitted to the County. The County requires the Tax Collector to report the monthly real estate tax activities to the County. The County will then issue the Tax Collector with a settlement statement for the month.

The Tax Collector must then reconcile the amounts reported on the WRTD sheet with the amounts reported on the settlement statement. If there are discrepancies, the Tax Collector must report these discrepancies to the County.

The settlement of duplication is prepared on a standardized form commonly known as the WRTD sheet. The settlement of duplication must be submitted to the County within 15 days of the succeeding year.

B. Reporting Entity

1. Nature of Operations

The Tax Collector is an elected official designated to collect County real estate taxes as well as other taxes in this jurisdiction. The Tax Collector is held accountable for the collection of taxes,

A. Missouri Accounting Policies

1. Summary of Significant Accounting Policies

NOTES TO THE SETTLEMENT OF DUPLICATE
2. Prior Audit Period Missed Debit Interim Notice

The Tax Collector has evaluated subsequent events through January 25, 2016, the date on which the settlement of Duplicate was applicable to be issued. No events have taken place that affect the settlement of Duplicate or require disclosure.

The Tax Collector has reviewed all interim revisions issued for the period indicated.

The original duplicate interim billings submitted to the local county collector are responsible for collecting the local amount of duplicate interim billings amounts presented under the "Amount to be Collected" column on the local duplicate interim billings.

The Original Duplicate Interim Billings

Pursuant to Act No. 72 of the General Assembly of the State of Massachusetts, any duplicate interim billings amounts not paid or otherwise satisfied are deemed to be discharged.

F. Cash

Cash paid by the county collector, minus any penalties or interest, is the cash paid in settlement of the duplicate interim billings amounts.

G. Bank Deposits

All funds deposited in the bank as deposits in the amount of the cash paid in settlement of the duplicate interim billings amounts are deposited in a county fund account.

H. Date of Management's Review

The Tax Collector has reviewed and approved the interim revisions issued through January 25, 2016.

I. Summary of Significant Accounting Policies (Continued)

NOTES TO THE SETTLEMENT OF DUPLICATE

Falls Township Tax Collector
2. Prior Audit Period Missed Debit Interim Notice (continued)

NOTES TO THE SETTLEMENT OF DUPLICATE
continued

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that could reasonably adversely affect the Tax Collector's ability to initiate, authorize, record, process, or report financial data. Material weaknesses in internal control are deficiencies along with a material weakness in internal control are deficiencies that are reasonably likely to adversely affect the Tax Collector's ability to initiate, authorize, record, process, or report financial data. We did not identify any deficiencies in internal control that are considered to be significant deficiencies.

We consider material weaknesses in internal control that are considered to be significant deficiencies.

Our conclusion of the Tax Collector's internal control was for the limited purpose described in the preceding report 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.

March 1, 2015

To Commissioner Robert C. Longley, Chairman

County of BUCKS
CONTROLLER’S OFFICE

AND MATERIAL WEAKNESSES
REPORT ON SIGNIFICANT DEFICIENCIES
January 25, 2016
Doylesworth, Pennsylvania
Kimberly S. Dorn, CPA, Acting Bucks County Controller

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
Falls Township Tax Collector
We have requested certain representations from the Tax Collector that are included in the

**Representations from the Tax Collector**

disagreements arose during the course of our audit. The settlement of duplicate or duplicate of the auditor’s report. We are pleased to report that no such reporting of duplicate matters whether or not resolved to our satisfaction, that could be significant to

For purposes of this letter, a disagreement with the Tax Collector in a financial accounting,

**Disagreements with the Tax Collector**

that required correction by management. As a result of management’s review of our audit procedures, we did not detect any misstatements

Professional standards require us to communicate all known and likely misstatements identified

**Corrected and Uncorrected Misstatements**

completing our audit.

We encountered no significant difficulties in dealing with the Tax Collector in performing and

**Difficulty Encountered in Performing the Audit**

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

Significant transactions have been recognized in the Settlement of Duplicate in the proper period.

The Tax Collector is responsible for the selection and use of appropriate accounting policies.

**Qualitative Aspects of Accounting Practices**

Audit Findings Overview

Audit:

Professional standards also require that we communicate the following information related to our

We have addressed the Settlement of Duplicate, applicable to County real estate taxes of the Tax

**COVER LETTER**

**REPORT TO MANAGEMENT**

Falls Township Tax Collector

Continued...
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 Distribution

This report is in no way criticism of or a reflection on the integrity of the Tax Collector. Furthermore, our suggestions should not be construed as a criticism of or a reflection on the integrity of the Tax Collector. The many sound controls that presently exist. We believe should be brought to the attention of the Tax Collector, and accordingly, does not receive the attention it deserves. Those conditions that are being recommended in reviewing this report, it is important to remember that this letter addresses those conditions that are not.

Purpose

Cover Letter

Report to Management

Falls Township Tax Collector
Continued...

collections activities.

The analysis disclosed that the Tax Collector did not prepare written monthly bank
reconciliation for a majority of the months within the audit period. Furthermore, the Tax
Collector did not maintain an accurate checkbook balance. Consequently, the auditors
recommended that the Tax Collector mandate the account for only tax
collection activities.

Cheekbook balance, prepared monthly bank reconciliations and utilized the account for only tax
reconciliation. The Tax Collector needed only applicable internal controls to maintain:
updated bank statements that the Tax Collector needs only applicable internal
controls to maintain up-to-date bank statements that the Tax Collector needs

The audit was conducted pursuant to the

Cash - Bank Analyses

Employee.

Everythng is done to the best of our abilities with only myself and a part time

Auditee's Response:

As the elected Tax Collector it is my responsibility to perform my duties.

Auditee's Response:

and the released accounting records or to all phases of a transaction.

Control structure is intact no one individual should have access to both physical assets
control structure is intact no one individual should have access to both physical assets
should be taken to separate incompatibilities duties. The basic premise to any internal

R.1. Although the small size of the office staff limits the extent of separation of duties, certain

R.1. Although the small size of the office staff limits the extent of separation of duties, certain

Authority, execution and recording of the County real estate tax transactions and the
Authority, execution and recording of the County real estate tax transactions and the

Tax Collector revealed that there was a general lack of segregation of duties among the
Tax Collector revealed that there was a general lack of segregation of duties among the

A review of the financial transactions recorded and the procedures performed by the Tax
A review of the financial transactions recorded and the procedures performed by the Tax

Internal Control

Internal Control

Collector's settlement of duplicate.

Collector's settlement of duplicate.

The Tax Collector's Office consisted of one (1) Tax Collector and one (1) Assistant
The Tax Collector's Office consisted of one (1) Tax Collector and one (1) Assistant

Recommendation

Recommendation

Finding

Finding

Legend:

Legend:

Findings and Recommendations

Report to Management

Falls Township Tax Collector
PAYMENTS reported in the face period and face payments reported in the penalty period.

of this procedure will provide the necessary documentation to substantiate disbursements.

period. The envelopes should be attached to the applicable paid tax bills. Implementation

on or before the end of the previous collection

current collection period. The positioners of all tax payments received in a

envelopes. 34 of a reduced collection positioners pertaining to these two (2) payments could not be

deposits from (g) to fourteen (14) days later. Given the absence of positioners

collection. Furthermore, two (2) of the payments lacking positioners envelopes were

and the penalties periods.

derailed by the end of the discount or lease periods but received in the face and penalty periods.

The Tax Collector did not retain the positioners envelopes of tax payments positioners

that supports deposits of County real estate taxes.

The Tax Collector should be reminded of the importance of maintaining all documentation

aspects of this deposit.

substantial the amount of the deposit. Consensually, we were unable to verify all

examining, the Tax Collector was unable to provide adequate documentation to

analyses of the deposits sampled revealed that in 33% of the three (3) deposits

whether payments were properly recorded and deposited intact and in a timely manner.

As a part of the audit, we reviewed a sample of paid tax notices and deposits to determine

Cash Receipts Analysis:

F2. Will do.

Done on-time thru my bank.

F1. I do settle out the bank account on line every day when I receive the mail.

Auditee’s Response:

R2. To remedy this condition, the Tax Collector should request the bank to

remand unresolved items from the prior month period.

estate tax activities disclosed that there was $15,000 of unrecorded balances, which had

The analysis of the service charges assessed to the bank account utilized for County real

payroll, outstanding checks and other reconciling items.

pickup on the checkbook balance provided the Tax Collector with a basis for determining deposits-in-

checkbook balance. Furthermore, the maintenance of an open-to-date

should be posted to the checkbook daily. Furthermore, the maintenance of an open-to-date

provides an adequate bank balance information. All deposits, disbursements and reconciliations in order to

R1. On a monthly basis, the Tax Collector should prepare written bank reconciliation listing

Cash - Bank Analysis (continued)

FINDINGS AND RECOMMENDATIONS

REPORT TO MANAGEMENT

Falls Township Tax Collector
F.1. All interim tax notices are processed on the 15th day of the first month after they are issued. This keeps all due dates organized.

Auditee's Response:

R.1. The Tax Collector should be reminded of the importance of issuing adjusted tax notices in accordance with the guidelines established in the Tax Collector's Manual.

Two (2) applicable credit interim adjustments are analyzed.

F.1. A review of the credit interim adjustments, which are issued by the Board of Assessment, is required. The audit team should ensure that the adjusted tax notices were not issued in a timely manner in 50% of the instances. A review of the credit interim adjustments is required to determine whether the Tax Collector was in compliance with certain provisions of the Compendium of New Jersey Statutes.

F.2. Will do.

F.1. Will do.

Auditee's Response:
An exit conference was not held. The Tax Collector chose to respond by electronic mail, which was received on January 25, 2016.

EXIT CONFERENCE ATTENDANCE

Falls Township Tax Collector