

ATTESTATION ENGAGEMENT

Department of General Services,
Bureau of Police and Safety,
Capitol Police Department
12-00-99

Dauphin County, Pennsylvania
For the Period
April 23, 2016 to December 31, 2019

May 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue
Harrisburg, PA 17128

We have examined the accompanying statement of receipts and disbursements (Statement) of Department of General Services, Bureau of Police and Safety, Capitol Police Department 12-00-99, Dauphin County, Pennsylvania, for the period April 23, 2016 to December 31, 2019, pursuant to the requirements of Section 401(c) of *The Fiscal Code*, 72 P.S. § 401(c). The Capitol Police Department's management is responsible for presenting this Statement in accordance with the criteria set forth in Note 1. Our responsibility is to express an opinion on this Statement 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Statement is presented in accordance with the criteria described above, in all material respects. An examination involves performing procedures to obtain evidence about the statement of receipts and disbursements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are mandated by Section 401(c) of *The Fiscal Code* to audit the accounts of each district court 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(c) of *The Fiscal Code*.

Independent Auditor's Report (Continued)

In our opinion, the Statement referred to above, for the period April 23, 2016 to December 31, 2019, is presented in accordance with the criteria set forth in Note 1, in all material respects.

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Statement; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the Statement. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on whether the Statement is presented in accordance with the criteria described above and not for the purpose of expressing an opinion on internal control over reporting on the Statement or on compliance and other matters; accordingly, we express no such opinions.

Our consideration of internal control over reporting on the Statement was for the limited purpose of expressing an opinion on whether the Statement is presented in accordance with the criteria described above and was not designed to identify all deficiencies in internal control over reporting on the Statement that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency listed below to be a material weakness:

- Lack Of Internal Control Over Receipts - Recurring.

As part of obtaining reasonable assurance about whether the Statement is free from material misstatement, we performed tests of the Department's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report (Continued)

The examination finding contained in this report cites conditions that existed in the operation of the Department of General Services, Bureau of Police and Safety, Capitol Police Department during the previous engagement period and were not corrected during the current examination period. The Department of General Services, Bureau of Police and Safety, Capitol Police Department should strive to implement the recommendations and corrective actions noted in this report.

The purpose of this report is to determine whether all moneys collected on behalf of the Commonwealth have been correctly assessed, reported and promptly remitted. This report is not suitable for any other purposes.

We appreciate the courtesy extended by the Department of General Services, Bureau of Police and Safety, Capitol Police Department 12-00-99, Dauphin County, to us during the course of our examination. If you have any questions, please feel free to contact Bureau of County Audits at 717-787-1363.



Eugene A. DePasquale
Auditor General

April 3, 2020

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DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
 CAPITOL POLICE DEPARTMENT 12-00-99
 DAUPHIN COUNTY
 STATEMENT OF RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD
 APRIL 23, 2016 TO DECEMBER 31, 2019

Collections:

April 23, 2016 to December 31, 2016	\$	3,920
January 1, 2017 to December 31, 2017		3,671
January 1, 2018 to December 31, 2018		2,291
January 1, 2019 to December 31, 2019		<u>2,481</u>
 Total Parking Fines Collected (Note 2)	 \$	 12,363
 Disbursements to Commonwealth (Note 3)		 <u>(12,363)</u>
 Balance Due Commonwealth (Department) (Note 4)		 -
 Examination Adjustments		 <u>-</u>
 Adjusted Balance due Commonwealth (Department) for the period of April 23, 2016 to December 31, 2019	 \$	 <u><u>-</u></u>

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

DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
CAPITOL POLICE DEPARTMENT 12-00-99
DAUPHIN COUNTY
NOTES TO THE STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD
APRIL 23, 2016 TO DECEMBER 31, 2019

1. Criteria

The Statement of Receipts and Disbursements provides a summary of receipts and disbursements by category. The categories and the amounts of fines, costs, fees, and surcharges assessed are based on Pennsylvania laws and regulations.

The Statement was prepared in accordance with reporting requirements prescribed by the Pennsylvania Department of Revenue. 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.

2. Receipts

Receipts are comprised of parking fines collected on behalf of the Commonwealth.

3. Disbursements

Total disbursements are comprised as follows:

Department checks issued to:

Deposits into the Department of General Services' cash management account	<u>\$ 12,363</u>
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4. Balance Due Commonwealth (Department) For The Period April 23, 2016 To December 31, 2019

This balance reflects the summary of monthly transmittal reports as settled by the Department of Revenue.

5. Prior Examination Period Balance Due

We noted that there was a prior examination balance due the Commonwealth of \$1,429 which was not paid as of the end of our current examination period.

6. Official Serving During Examination Period

Joseph Jacob served as Superintendent at the Department of General Services, Bureau of Police and Safety, Capitol Police Department for the period April 23, 2016 to December 31, 2019.

DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
CAPITOL POLICE DEPARTMENT 12-00-99
DAUPHIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
APRIL 23, 2016 TO DECEMBER 31, 2019

Finding - Lack Of Internal Control Over Receipts - Recurring

We cited the issue of inadequate internal control over receipts in the prior examination report for the period January 1, 2010 to April 22, 2016. Our current examination found that the Department did not correct this issue.

The Capital Police Department Ticket Office issues receipts for cash and check payments for parking tickets. The ticket office has developed procedures to deposit cash collections weekly and check collections every two weeks due to the very low daily collections from parking tickets. In order to determine timeliness of deposits for cash collections, we calculated the date of expected deposit as the next business day following the week that the cash was recorded as received. Likewise, we calculated the timeliness of deposits for check collections as the next business day following the bi-weekly period that the check was recorded as received.

We tested 53 receipts and found that 17 receipts were not deposited timely. We further noted that:

- Eleven of the 17 receipts were from payments made with cash that was not deposited timely. The time lapse from the date that the cash receipt should have been deposited to the subsequent date of actual deposit ranged from 3 days to 24 days.
- Six of the 17 receipts were from payments made with checks that were not deposited timely. The time lapse from the date that the receipt should have been deposited to the subsequent date of actual deposit ranged from 9 days to 11 days.
- Furthermore, we found that the payment source (i.e. through the mail or at the window) was not recorded on all 53 receipts tested.

These conditions existed because the Capitol Police Department failed to establish and implement an adequate system of internal controls over receipts as recommended in the prior examination report.

A good system of internal accounting controls ensures that:

- All cash and check collections are deposited timely at the bank.
- All required information is recorded on the receipt, including payment source.

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

DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
CAPITOL POLICE DEPARTMENT 12-00-99
DAUPHIN COUNTY
FINDING AND RECOMMENDATION
FOR THE PERIOD
APRIL 23, 2016 TO DECEMBER 31, 2019

Finding - Lack Of Internal Control Over Receipts - Recurring (Continued)

Recommendation

We strongly recommend that the office establish and implement an adequate system of internal controls over receipts as noted above. The Department should ensure that cash and check collections are deposited the next business day following the weekly collection for cash and the next business day following the bi-weekly collection for checks.

Management Response

No formal response was offered at this time.

Auditor's Conclusion

During our next examination, we will determine if the office complied with our recommendation.

DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
CAPITOL POLICE DEPARTMENT 12-00-99
DAUPHIN COUNTY
SUMMARY OF PRIOR EXAMINATION RECOMMENDATIONS
FOR THE PERIOD
APRIL 23, 2016 TO DECEMBER 31, 2019

Summary Of Prior Examination Recommendations

During our prior examination, we recommended that the Capitol Police Department:

- Establish and implement an adequate system of internal controls over parking ticket procedures, including fully complying with Capitol Police Department Duty Manual.
- Establish and implement an adequate system of internal controls over receipts.
- Establish and implement procedures to ensure that all records are properly accounted for and maintained. In addition, all documentation should be kept until audited by the Department of the Auditor General.
- Provide for greater segregation of duties within the office. This can be done by cross-training personnel and rotating job functions that include the handling of cash and maintaining the accounting records for the cash. As an alternative and/or additional control, someone independent from the handling of cash and the accounting records should review the employee's work at the end of each day. The reviewer should sign and date the records and documents reviewed.

During our current examination, we noted that the Capitol Police Department complied with our first, third, and fourth bulleted recommendations. However, the Capitol Police Department did not fully comply with our second bulleted recommendation. Please see the current year finding for additional information.

DEPARTMENT OF GENERAL SERVICES, BUREAU OF POLICE AND SAFETY,
CAPITOL POLICE DEPARTMENT 12-00-99
DAUPHIN COUNTY
REPORT DISTRIBUTION
FOR THE PERIOD
APRIL 23, 2016 TO DECEMBER 31, 2019

This report was initially distributed to:

The Honorable C. Daniel Hassell
Secretary
Pennsylvania Department of Revenue

The Honorable H. Geoffrey Moulton, Jr.
Court Administrator of Pennsylvania
Supreme Court of Pennsylvania
Administrative Office of Pennsylvania Courts

The Honorable Curtis Topper
Secretary
Pennsylvania Department of General Services

The Honorable Joseph Jacob
Superintendent
Capitol Police Department

The Honorable Jeff Haste
Chairperson of the Board of Commissioners

The Honorable Timothy DeFoor
Controller

Deborah S. Freeman, Esquire
District Court Administrator

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.