

North York Borough Tax Collector Audit Report

For the period of February 15, 2018 through January 15, 2019 covering the 2018
Tax Year



County of York, Pennsylvania

Gregory F. Bower, MBA
Controller

Tyler J. Chronister
Deputy Controller

North York Borough Tax Collector Audit
For the period of February 15, 2018 through January 15, 2019
2018 Tax Year

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Office of the County Controller

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August 6, 2019

North York Borough
Keith Ramsay
350 E. Sixth Avenue
York, PA 17404

Dear North York Borough Tax Collector:

Attached is the audit report of your tax collection records for the County of York, prepared by the York County Controller's Office. Our procedures were performed covering the 2018 tax year, which began on February 15, 2018 and ended on January 15, 2019, including the final settlement for the 2018 tax year.

The expanded scope of the Office of the County Controllers Audit Department is under the authority of the Pennsylvania Local Tax Collection Law at 72 P.S. § 5511.1, et seq. specifically 5511.26. Through the guidance and procedures contained in the Local Tax Collection Law, we have issued this report based upon the audit.

Our audit was conducted in order to determine the accuracy of the timeliness of the County real estate taxes collected and to obtain an understanding about whether the tax collections are free of material flaws, among other procedures. It was found that we were unable to conclude all monies collected were deposited and remitted in a timely manner. We requested but were not provided with details of all deposits, therefore we could not track individual taxpayer payments to the bank and in turn remittance. It is recommended that you utilize a form of record keeping which would enable you to track all individual payments which are included in any given deposit. This would aid in ensuring all monies collected balance with amount deposited.

The financials we have audited for the 2018 tax year are attached as **Exhibit A** and will be included in a summary report issued to the York County Board of Commissioners. The information included in the report is intended solely for the use of the North York Borough Tax Collector, Keith Ramsay, and the York County Board of Commissioners, and should not be used by anyone other than these specified parties without consent. However, public policy dictates that this report is a matter of public record and its distribution is not limited.

Respectfully Yours,

Gregory F. Bower, MBA
Controller

Tyler J. Chronister
Deputy Controller

**North York Borough Tax Collector
Audit Notes
For the period of February 15, 2018 through January 15, 2019**

Note A – DESCRIPTION OF TAX COLLECTOR AND TAXING DISTRICT

Keith Ramsay was elected to the position of North York Borough Tax Collector in 2013 to take office on January 1 2014. Each elected tax collector's position is a four year term.

In York County, elected or appointed tax collectors are responsible to collect real estate taxes for the County and municipalities. Under the Local Tax Collection Law, the tax collector is required to submit a tax collector report approved by the Department of Community and Economic Development (DCED) and all monies collected in the prior month to the York County Treasurer and the municipality in which they are elected by the tenth day of the following month. When the final settlement of tax records is completed by January 15 of the subsequent year, the tax collector submits unpaid tax parcels to the York County Tax Claim Bureau.

York County is comprised of 72 townships and boroughs. In 2018, North York Borough had an assessed total of \$389,076.88 in York County. North York Borough also had a total of 739 parcels.

Note B – SCOPE AND PROCEDURES OF AUDIT

The period of our review was from February 15, 2018 to January 15, 2019, which covers the 2018 tax year.

The following procedures were performed during the audit:

- Ensure each tax collector is using a proper EIN and has insurance for deposits over \$250,000
- Ensure monthly DCED reports are submitted by the tenth of the following month
- Ensure remittances from the monthly summaries match up with remittances from the general ledger and balance out at the end of the tax year
- Ensure all financials submitted by the tax collector balance and match up with their annual settlement
- Ensure the proper amounts are being collected during each period throughout the tax year and balance at the end of the tax year
- Ensure the proper amount of interims, exonerations, and collected parcels are being collected each month
- Ensure the correct amount of parcels is the same amount being paid and verify this matches with the tax collector's final report
- Ensure the tax collector's bank statements properly align with the documentation they use to keep track of deposits and payments
- Ensure we are able to track individual payments to the duplicate and verify taxpayers are paying the correct amount based on the period
- Ensure each tax collector is being correctly compensated

North York Borough Tax Collector
Audit Notes *(Continued)*
For the period of February 15, 2018 through January 15, 2019

Note C – TAX COLLECTION SYSTEM

The Treasurer's Office purchased and implemented a new tax collection system in 2016 referred to as iasWorld. iasWorld was developed by Tyler Technologies Inc. A spreadsheet designed by the Treasurer's Office and a brief stint with another tax collection system were what was used before the implementation of iasWorld. The Treasurer's Office chose iasWorld so all could use and would fit in with Assessment/Tax Claim. The Elected Tax Collectors have the option of using the County provided system or to use the system of their choice. Keith Ramsay chooses to utilize the County provided system, iasWorld.

North York Borough Tax Collector
Audit Findings and Observations
For the period of February 15, 2018 through January 15, 2019

This section of the report presents the findings and observations that resulted from our annual examination of the financial records. Following any of the findings and observations noted, we provide recommendations to correct or better the described occurrence.

York County provides taxpayers with a 2% discount period until April 17, a base collections period until June 15, and a penalty period until December 31 of each year so that York County can use the tax dollars to best serve the residents of York County as a whole.

FINDING #1: Timeliness of Collection, Deposit and Remittance

Description: We were unable to conclude all monies collected were deposited and remitted in a timely manner. We requested but were not provided with details of all deposits, therefore we could not track individual taxpayer payments to the bank and in turn to remittance.

Explanation: Mr. Ramsay stated he does not keep individual deposit information. Deposits are made in group amounts and deposited via a mobile deposit process.

Auditor's Conclusion: This occurrence was listed as a finding rather than an observation because of the nature of the occurrence. Since the tax collector stated he does not keep individual deposit information there is no way to ensure all individual taxpayer payments collected were deposited and remitted in a timely manner.

OBSERVATION #1: Face Payment Recorded Outside the Face Period

Description: In August 2018, there was a collection of \$489.98 at face recorded on the Monthly Summary. The face period had ended on June 15.

Explanation: Mr. Ramsay stated he was sure the payment in August was received at the end of the Face collection period and forgot to post it until he received additional payments at which time he remembered the payment.

Auditor's Conclusion: This occurrence was listed as an observation, rather than a finding because it appears to be an isolated instance. The remaining duplicate collections were collected in the appropriate collection periods.

**North York Borough Tax Collector
Audit Recommendations
For the period of February 15, 2018 through January 15, 2019**

In the preceding section of this report, we listed any findings and observations from our audit. This section of the report presents recommendations to correct or better the described occurrences in the Audit Findings and Observations section as well as to help better the tax collection process by each tax collector even if there were no findings or observations as a result from the audit.

RECOMMENDATION #1

Tax Collector should utilize a form of record keeping which would enable him to track all individual payments which are included in any given deposit, since he does not utilize a deposit slip in paper form. This would aid in ensuring all monies collected balance with amount deposited.

RECOMMENDATION #2

Tax Collector should continue to only accept payment within the stated collection periods. Collections accepted outside of the stated collection periods should be kept at a minimum and accepted only under extreme circumstance.

North York Borough Tax Collector
Audit Summary
For the period of February 15, 2018 through January 15, 2019

We have performed the procedures explained in Note B in order to evaluate compliance for the 2018 tax year ending on January 15, 2019 for the North York Borough Tax Collector, Keith Ramsay. Our procedures described follow specific requirements of the Local Tax Collection Law and ensuring compliance with the Local Tax Collection Law was the purpose of this audit.

Reportable conditions involved issues coming to our attention relating to significant deficiencies or non-compliance that could adversely affect the tax collector's ability to show a true representation of the monies collected. While conducting our audit, we reported findings and observations along with recommendations to correct or better the described occurrences. During the audit process, we noted we were unable to confidently ensure taxpayer monies were deposited and remitted in a timely manner due to lack of detailed deposit information kept/provided by the tax collector. We believe based upon the response from the tax collector, this is an ongoing practice and we recommended the tax collector record individual payments deposited within any given deposit in some manner. We also noted a face payment accepted outside the face period. We believe this was an isolated instance.

We conducted our audit to obtain a reasonable understanding about whether the tax collections are free of material flaws and to determine the accuracy of the timeliness of the County real estate taxes collected. The financial affairs and compliance with the applicable law are the responsibility of the North York Borough Tax Collector. It is our opinion that the taxes were collected for the County in a timely manner. It is also our opinion that the tax collections by the North York Borough Tax Collector appear to be in compliance with those generally accepted policies and procedures for tax collectors. We further believe the monthly tax balances recorded on the monthly summaries and DCED reports are accurately stated.

The tax monies collected for North York Borough in 2018 are shown in **Exhibit A: North York Borough Tax Collections by Month**.

NORTH YORK BOROUGH DUPLICATE TAX COLLECTIONS - 2018

Exhibit A

Month	Prev Balance	Excess/Refunds	Exons	Collected @ Disc	Disc	Collected @ Base	Collected @ Prlty	Penalty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 389,057.74	17.55							\$ -	\$ 389,057.74	\$ -
MARCH	389,057.74	-		34,063.55	681.28				33,382.27	355,011.74	34,063.55
APRIL	355,011.74	-		275,822.61	5,516.49				270,306.12	79,189.13	275,822.61
MAY	79,189.13	-		-	-	12,025.76			12,025.76	67,163.37	12,025.76
JUNE	67,163.37	-		-	-	25,246.54			25,246.54	41,916.83	25,246.54
JULY	41,916.83	-		-	-	17.55			17.55	41,899.28	17.55
AUGUST	41,899.28	-		-	-	489.98			5,705.20	36,668.20	5,231.08
SEPTEMBER	36,668.20	-		-	-	-	4,741.10	474.12	4,393.02	32,674.55	3,993.65
OCTOBER	32,674.55	-		-	-	-	-	-	-	32,674.55	-
NOVEMBER	32,674.55	-		-	-	-	-	-	-	32,674.55	-
DECEMBER	32,674.55	-		-	-	-	10,729.83	1,072.99	11,802.82	21,944.72	10,729.83
End of Year	21,944.72	-		-	-	-	7,766.09	776.61	8,542.70	14,178.63	7,766.09
TOTAL	\$ -	\$ 17.55	\$ -	\$ 309,886.16	\$ 6,197.77	\$ 37,779.83	\$ 27,230.67	\$ 2,723.09	\$ 371,421.98	\$ 14,178.63	\$ 374,896.66
				79.65%		9.71%	7.00%		95.47%		96.36%

Discount Period -- 2/15/18 through 4/17/18
 Face Period -- 4/18/18 through 6/15/18
 Penalty Period -- 6/16/18 through 12/31/18

Key:

Red Bold = Amounts collected outside of correct period

Ending Bal w/Interims	Amt Ret to Tax Claim	Year ending Balance
\$ 14,178.63	\$ 14,178.63	\$ -