

Wrightsville 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

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

Table of Contents

	<u>Page(s)</u>
Audit Letter to Randee Scritchfield, Wrightsville Borough Tax Collector	
Audit Notes	1-2
Audit Findings and Observations	3
Audit Recommendations	4
Audit Summary	5
Exhibit A: Wrightsville Borough Tax Collections by Month	

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County of York, Pennsylvania

August 6, 2019

Wrightsville Borough
Ranee Scritchfield
210 S. 2nd Street
Wrightsville, PA 17368

Dear Wrightsville 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. We found that multiple monthly settlements were submitted to the York County Treasurer's Office after the 10th of the following month without an explanation throughout the 2018 tax year. This resulted in a recommendation for future tax collections in your borough.

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 Wrightsville Borough Tax Collector, Ranee Scritchfield, 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

**Wrightsville 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

John R. Cressler was elected to the position of Wrightsville Borough Tax Collector in 2018. The current Wrightsville Borough Tax Collector, Randee Scritchfield, was appointed to this position in 2019. Each elected tax collector's position is a four year term. Please note, the findings within this audit report are based on the tax collections performed by the Tax Collector in 2018, John Cressler and in no way represent the collections of the current Tax Collector, Randee Scritchfield.

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, Wrightsville Borough had an assessed total of \$564,686.64 in York County. Wrightsville Borough also had a total of 953 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

Wrightsville 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. John R. Cressler chose to utilize his own system for tax collections. The current Wrightsville Borough Tax Collector, Randee Scritchfield, chooses to utilize her own system for tax collections as well.

**Wrightsville 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: Monthly settlement occurred outside the stated timeframe on multiple occasions

Description: Multiple monthly settlements were submitted late to the Treasurer's Office throughout the 2018 tax year:

- February 2018 – Received 3/15/18
- April 2018 -- Received 5/15/18
- May 2018 -- Received 7/03/18
- October 2018 – Received 11/13/18
- December 2018 – Received 01/13/19

Explanation: John R. Cressler is not the current Wrightsville Borough Tax Collector therefore no explanation could be given.

Note: Randee Scritchfield was elected/appointed to the position of Wrightsville Borough Tax Collector beginning in 2019.

Auditor's Conclusion: This was listed as a finding because no explanation could be given because the current Wrightsville Borough Tax Collector did not hold that position during the 2018 tax year.

FINDING #2: Bank Statement Reconciliation Testing

Description: While reviewing the documents provided to our office by the Wrightsville Borough and the current Tax Collector Randee Scritchfield, we noted multiple issues in the way tax collection was recorded, posted and remitted. The following issues were noted:

- Mr. Cressler had opened 3 separate accounts one each for the County, Borough and School tax collection. Each account was opened with an initial deposit of \$50.00.
- In Late March, he began depositing funds from county collections into the Borough account and transferring monies from the Borough account into the County account.
- In April, out of twelve (12) deposits into the County account, all but three (3) were transfers from the Borough account. From the provided reports, we could see the county funds deposited into the Borough account (\$356,462.84) was greater than the amount transferred into the County account (\$284,504.18). From April on, the process of determining deposits – VS- transfers becomes quite difficult due to the paperwork provided.
- On April 17, 2018 the County account becomes **overdrawn by \$12,111.30**. On 4/18/18, Mr. Cressler transferred \$133,091.35 into the County account bringing back into a positive balance.

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

- On May 2, 2018, Mr. Cressler transferred funds (\$83,700.30) into the County account made a remittance (\$85,896.81) to the County leaving a balance of \$133.00 in the County account. The County account remains at that balance until January 7, 2019 at which time, Mr. Cressler transfers \$83.00 into the Borough account leaving the County account with the original \$50.00 opening balance.
- From this point on, all county monies collected were deposited into the Borough account.
- June 2018 – there were 6 deposits of the those 6 deposits, we could only break down 4 of them and determine which entity (County or Borough) the funds belonged to leaving \$4,221.07 that we could not definitively conclude whose money it was.
- On October 21, 2018 the Borough account was **overdrawn by \$227.76**. Two days later, Mr. Cressler deposit County and Borough funds (\$566.29 (C) and \$529.55 (B)) to bring the account back to a positive balance.

Explanation: No explanation could be ascertained as the current tax collector was not the tax collector when this occurrence took place.

Auditor's Conclusion: This was listed as a finding because due to the process Mr. Cressler used to collect, record, deposit and remit did not provide us with accurate and complete details of all monies deposited into the various account from various entities. The York County Treasures Office has stated the County of York did receive all funds required minus the parcels that were turned over to Tax Claim.

OBSERVATION #1: Collection Recorded Outside of the Stated Collection Period

Description: The following collections were collected outside the stated collection period:

- September collection of \$1376.40 was collected at face – Face collection period ended June 15

Explanation: No explanation could be ascertained as the current tax collector was not the tax collector when this occurrence took place.

Auditor's Conclusion: After reviewing Mr. Cressler's documents, we could not determine why these collections were not collected at penalty. We concluded this was an isolated incident and therefore determined this to be an observation rather than a finding.

Wrightsville 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

Recommendation: Ensure that each monthly settlement is submitted to the York County Treasurer's Office by the 10th of the following month.

RECOMMENDATION #2

Recommendation: We recommend one bank account be used for tax collection. We also recommend documentation should be kept on each deposit listing the parcels paid and the amount collected matches the amount deposited.

RECOMMENDATION #3

Recommendation: Tax Collector only make exceptions to extending the collections periods for extreme circumstances. Try to record payments in a timely manner to avoid correctly collected parcels being recorded outside the stated collection period.

**Wrightsville 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 previous Wrightsville Borough Tax Collector, John R. Cressler. Randee Scritchfield took the position of Wrightsville Borough Tax Collector beginning in 2019. 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.

While conducting our audit, we found non-compliance in regards to multiple monthly settlements being submitted to the York County Treasurer's Office late. Since he does not hold the current position of Wrightsville Borough Tax Collector anymore, no explanation could be given, resulting in a recommendation. We also found significant deficiencies in the process used to record, post and remit collections which led to a finding in this area. We also observed collections outside of the stated collection period.

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 Wrightsville Borough Tax Collector. It is our opinion that the taxes were collected for the County and remitted to the York County Treasurer's office as required. As Per the Treasurer's office the monies they received plus what was turned over to Tax Claim was equal to the beginning duplicate amount including any additions and excluding any exonerations. We have also concluded there was a significant deficiency in regards to the bookkeeping records of the Wrightsville Borough Tax Collector in 2018.

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

WRIGHTSVILLE BOROUGH DUPLICATE TAX COLLECTIONS - 2018

Exhibit A

Month	Prev Balance	Excess/Refunds	Exons	Collected @ Disc	Disc	Collected @ Base	Penalty	Collected @ Prnty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 565,080.95	103.36							\$	565,184.31	\$
MARCH	565,184.31	1,441.30		61,923.21	1,238.48	1,238.48			60,684.73	504,702.40	61,923.21
APRIL	504,702.40	162.62		314,448.50	6,289.11	6,289.11			308,159.39	190,416.52	314,448.50
MAY	190,416.52	-		87,649.85	1,753.04	1,753.04			85,896.81	102,766.67	87,649.85
JUNE	102,766.67	-		-	-	-			19,133.78	83,632.89	19,133.78
JULY	83,632.89	169.47		-	-	-	76.94	769.43	46,065.98	37,813.32	45,989.04
AUGUST	37,813.32	-		20.69	0.41	0.41	-	-	20.28	37,792.63	20.69
SEPTEMBER	37,792.63	-		97.25	-	1,376.40	88.83	888.27	2,353.50	35,430.71	2,264.67
OCTOBER	35,430.71	50.47		-	-	-	6.58	65.77	72.35	35,415.41	65.77
NOVEMBER	35,415.41	-		53.47	1.07	-	272.82	2,728.09	3,053.31	31,840.97	2,781.56
DECEMBER	31,840.97	-		212.92	4.26	(774.13)	421.56	4,215.68	3,863.11	28,399.42	3,441.55
End of Year	28,399.42	-		464,308.64	9,286.37	9,286.37	17,005.13	833.80	9,380.35	19,848.61	8,550.81
TOTAL	\$ 1,927.22	\$ 890.13	\$ 464,308.64	\$ 82.17%	\$ 9,286.37	\$ 17,005.13	\$ 3.01%	\$ 1,700.53	\$ 538,683.59	\$ 19,848.61	\$ 546,269.43
									95.33%		96.67%

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	\$ 19,848.61
Amnt Ret to Tax Claim	\$ 19,798.14
Year ending Balance	\$ 50.47
Carryover	\$ 50.47
	\$ (0.00)