

March 18, 2011

Ms. Joan Pusateri
Budget and Finance Director
Luzerne County
200 North River Street
Wilkes-Barre, PA 18711

Dear Ms. Pusateri:

This letter outlines our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to Luzerne County Records Retention Committee (Committee).

We will conduct appropriate forensic audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States of America, as applicable, to identify and quantify and past or present abnormal financial activity in the Committee's funds, with the objective of issuing the following reports for the fiscal years ended December 31, 2007, and potentially 2008 and 2009, to the Budget and Finance Department of Luzerne County:

1. Written report communicating all discovered abnormal financial activity, including its quantification, cause, and consequence.
2. Letter to the Committee of any reportable conditions found during the audit.
3. Written report communicating all illegal acts of which we become aware to the Luzerne County Budget and Finance Department.

The nature of our procedures will be limited. Therefore, fraud may exist that we will not identify during performance of these procedures. We do not assume responsibility for updating our report for such events or circumstances that may occur subsequent to the date the report is issued. If, for any reason, we are unable to complete the audits, we will not issue a report on the results of the engagement.

The Committee shall provide us all documentation and information and make available key personnel within a reasonable period of time pursuant to our request.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$13,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work

progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If information becomes known that would make our continued involvement in this engagement inappropriate, or if the parties involved change, we reserve the right to withdraw from this engagement. In addition, we will refuse to perform any requested act that we deem a violation of law, public policy, or our professional ethical standards, and may, as a result, withdraw from the engagement without penalty.

Professional standards require Maher Duessel to establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations. It is Maher Duessel's policy that any complaints or allegations should be reported to the managing partner (David P. Duessel) or engagement partner identified within this letter.

Maher Duessel will provide draft reports to management for review and approval before issuance. Final reports for internal use and external distribution will be delivered to the Committee. The Committee's use and distribution of reports is expected to be limited to internal use. If the Committee intends to publish or otherwise reproduce the reports and make reference to our firm name, the Committee agrees to provide Maher Duessel with printer's proofs or masters for our review and approval prior to printing. The Committee also agrees to provide Maher Duessel with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited reports, including information published electronically on your website, you understand that electronic sites are a means to distribute information, and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic sites with the original document.

The Committee understands that the AICPA Rule of Professional Conduct ordinarily precludes an auditor from disclosing confidential information obtained in the course of an engagement unless the client specifically consents. Professional standards also require the auditors prepare working papers to document the performance of the engagement. While such working papers will remain the property of Maher Duessel, the Committee will have a right to a copy of any working papers that contain data that constitutes part of a client's records. The AICPA requires members who practice public accounting to participate in either a Quality Review or peer Review practice-monitoring program. Maher Duessel is enrolled in such a program. The

Committee grants permission for Maher Duessel to respond fully to inquiries and allow review of working papers in connection with practice monitoring program activities.

We appreciate this opportunity to be of service to the Luzerne County Records Retention Committee and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Maher Duessel



BY: _____
Lisa A. Ritter, CPA, CFE - Partner

RESPONSE:

This letter correctly sets forth the understanding of Luzerne County Records Retention Committee.

BY: Maryanne Petrucci
Signature

MARYANNE PETRUCCI
Name of authorized signer

Commissioner
Title

03/28/2011
Date