

LUZERNE COUNTY  
BUDGET AND FINANCE  
BRIAN SWETZ  
DIVISION HEAD



LUZERNE COUNTY  
COUNTY MANAGER  
C. DAVID PEDRI, ESQUIRE

COUNTY of LUZERNE  
P E N N S Y L V A N I A  
E S T A B L I S H E D 1 7 8 6

TO: Luzerne County Council

FROM: Brian Swetz, Director of Budget of Finance Division

DATE: June 25, 2019

RE: 2018 Audit update

1. Budget and Finance was informed on June 21, 2019 from Clifton Larson Allen, LLP that the 2018 Audit they were contracted to complete by June 30, 2019 would be delayed primarily because of an unreconciled material difference contained within the County's Due To/From accounts.
  - a. The Due To/From accounts are balance sheet accounts between the County's General Fund and other County agency (Human Services, 911, Community Development, etc.).
2. The Due To/From accounts referenced in the above paragraph are the same accounts which caused the 2017 audit qualification of \$5.4 Million.
3. Luzerne County Budget and Finance invested over 100 hours into reviewing this issue and contracted with the County's previous auditor, Bakertilly in February of 2019 in order to reconcile this difference in the Due To/From accounts. To date, despite best efforts, no such reconciliation has been able to be finalized.
  - a. Baker Tilly will be onsite again to review this issue on June 26, 2019.
4. All other 2018 final component audits have been received and are unqualified with the exception of Children and Youth and Domestic Relations. These audits are anticipated to be unqualified and received by June 28, 2019. (As previously reported, the 2018 Children and Youth Audit documents will reference the clearing of the \$2.4 Million 2107 Audit qualification finding).
5. Between the Clifton Larson Allen and Baker Tilly audit, Luzerne County Budget and Finance Division have cleared over 150 requests for financial documents. There are less than 10 outstanding requests from both CLA and Baker Tilly at this time. However, those requests are reliant upon the issuance of the Children and Youth and Domestic Relations final audits.
6. The new target date for a 2018 audit is July 31, 2019.