



COUNTY OF LUZERNE
P E N N S Y L V A N I A
ESTABLISHED 1786
OFFICE OF THE CONTROLLER

September 30, 2015

Kingston Township Manager
180 E Center Street
Shavertown PA 18708

Re: Audit report Kingston Twp. Tax Collection

Dear Karen,

We have recently conducted a review of the County portion of the 2014 tax collections for Kingston Township as collected, reported and remitted to Luzerne County. The Kingston Township Tax Clerk is resigning her position at the end of September 2015.

The objective of the review was to see that all tax payments collected on behalf of the County by Kingston Township were distributed to, and received by the County.

In order to accomplish the objectives, the collection records for tax year 2014 were reviewed. The tax collector's records of County collections from the RBA system were reconciled with deposits recorded in New World, the Luzerne Countywide Financial System.

We compared canceled checks of payments of taxes to Luzerne County, with RBA Collection reports for each month of collections. We found those payments as tax receipts on the New World Financial System.

Our examination was limited to collections made and distributed to Luzerne County through the end of August 2015. Payments made in September, for August receipts were found on the New World System, and matched the RBA collection reports for the period. The September statements and canceled check copies had not yet been issued by the bank.

We sampled several collection batches containing the Kingston Township copy of paid tax bills for 2014, and verified that the total of the bills receipted matched the amount deposited.

In our opinion, the Kingston Township tax office collected and remitted County tax received to Luzerne County accurately and in a timely manner.

Findings:

- We discovered that the checking account that holds County/Municipal tax revenue from Kingston Township is an interest bearing account. We found no evidence that Luzerne County's portion of that interest has been remitted for 2013 or 2014. The tax collector manual states; *"All interest earned should be credited to the proper taxing district and paid over monthly or more frequently as the taxing district requires."*
- The tax collector's record of tax receipt is not marked with the date, the amount paid or the check number of the payment. The Tax Collector manual states, *"The receipt must be marked with the date of payment and the amount of real estate and personal taxes paid, stated separately. A separate receipt must be issued for each parcel of real property. The tax collector must keep a record of each receipt on the bill or stub, with the same information given in the receipt. Duplicate receipts should include the name of the person paying, number of the check and should be stamped with the word "copy."*

Recommendations:

- Kingston Township tax office should remit to Luzerne County its prorated share of interest earned in the County/Municipal checking account.
- The Kingston Township Tax Office should enter the date, indicate the amount of payment, and record the check number of the payment on its duplicate receipt record of collections.

Sincerely,



Michelle A. Bednar
Luzerne County Controller

Cc Linda McCloskey Houck, Council Chair.
Robert C. Lawton, County Manager

Please return this signed sheet with your response as prescribed below to:

Luzerne County Controller's Office
Audit Response
200 North River Street
Wilkes Barre PA 18711

I agree with the findings of the Luzerne County Controllers Office.



For Kingston Township Tax Collection

9-30-15

Date

I disagree with the findings of the Luzerne County Controllers Office, and will respond in writing within the 14 days as outlined in the Luzerne County Home Rule Charter.

For Kingston Township Tax Collection

Date


Luzerne County Home Rule Charter: Section 3.08 (C.) 3.

The audited entity shall respond in writing, specifying agreement with the audit findings and/or recommendations or the reasons for disagreement with the findings and/or recommendations, along with any plans and timetable for implementing remedies. The response shall be provided to the Controller within 14 days after the audited entity's receipt of the draft audit. The Controller shall include the audited entity's response in his/her final audit report.


Fourteen Days from the Audit date is: October 14, 2015



Michelle A. Bednar, Controller



Nancy L. DeMuri, Auditor



Martin G. Moughan, Auditor

LUZERNE COUNTY
KINGSTON TOWNSHIP AUDIT
REPORT DISTRIBUTION
FOR THE PERIOD
JANUARY 1, 2014 TO SEPTEMBER 30, 2014

This report was distributed to:

Mr. Robert Lawton

The Honorable Michelle A. Bednar

Ms. Linda McCloskey Houck

Brian Swetz

Karen Rose

Luzerne County Manager

Luzerne County Controller

Luzerne County Council Chair

Director of Budget and Finance

Kingston Twp. Manager

This report is a matter of public record and is available online at <http://www.luzernecounty.org>, found under Audit Reports on the Luzerne County Controller's section of the website. A hardcopy is also available for review at the Luzerne County Controller's Office.

Media questions about this report may be directed to the Luzerne County Controller's Office at 20 North Pennsylvania Blvd., Suite 213, Wilkes-Barre, PA 18701 or via e-mail to Controllers.Office@luzernecounty.org