

Lancaster County  
Public Safety Training Center  
Foundation  
Audit Report

For the period of January 1, 2019 through December 31, 2020



Brian K. Hurter, CPA  
Lancaster County Controller

**Lancaster County Public Safety Training Center Foundation Audit  
For the period of January 1, 2019 through December 31, 2020**

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## Controller's Office

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**Controller**  
Brian K. Hurter, CPA

September 14, 2021

Todd J. Kirkpatrick, Director  
Lancaster County Public Safety Training Center Foundation  
101 Champ Boulevard  
Manheim, PA 17545

Dear Mr. Kirkpatrick:

Attached is the audit report for the Lancaster County Public Safety Training Center Foundation (the Foundation) prepared by the Lancaster County Controller's Office. Our examination procedures were performed covering the period of January 1, 2019, through December 31, 2020. We tested and audited the financial and procedural affairs pertaining to the Foundation. We hope to provide recommendations for improvement to internal control and efficiency over the Foundation's operations. It is the responsibility of the Foundation's management to ensure the operations and financial affairs are in compliance with applicable policies and laws. We do not express an opinion or provide any assurance on the information examined because the limited procedures executed do not provide us with sufficient evidence to express an opinion.

We acknowledge the cooperation and assistance that we received from the Foundation's personnel. Their help was instrumental to the performance of this audit.

This report is intended for the information and use of the Lancaster County Safety Training Center Foundation. It is not intended 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.

Sincerely,

Brian K. Hurter, CPA  
Lancaster County Controller  
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**Lancaster County Public Safety Training Center Foundation**  
**Relevant Audit Notes**  
**For the period January 1, 2019 through December 31, 2020**

**Note A – FOUNDATION MISSION STATEMENT**

The mission of the Foundation is to engage in activities and fundraising to support the Lancaster Public Safety Training Center. The Foundation is also to engage in such activities as may be necessary or desirable for the above purposes, and generally to engage in any lawful business purpose to be conducted on a not-for-profit basis.<sup>1</sup>

**Note B – DESCRIPTION OF FOUNDATION**

The Lancaster County Public Safety Training Center Foundation is located at 101 Champ Boulevard in Manheim, PA.

The Foundation was formed in 2005 as a mechanism to provide support and resources for the Lancaster County Public Safety Training Center (LCPSTC) and inspire and encourage training initiatives for all first responders. The non-profit organization was created and designed to assist with recommendations for programs and usage of the facility, while helping to provide funding that may not be available through normal county funding streams. The concept of the Foundation was to work with the County in a partnership to continue to support our county response communities' needs. In 2005, the foundation, took ownership of a new fire engine purchased by the Lancaster County Fireman's Association (LCFA) and the Line of Duty Death Memorial, which was substantially funded by the LCFA.

From 2005 to 2019, the Foundation, through various fundraisers and donations, was able to provide some minimal funding support for projects at the LCPSTC, including insurance for vehicles, assistance with the purchase of various training props in partnership with the LCFA and Lancaster County Fire Chiefs Association (LCFCA), and other minor needs of the LCPSTC.

In 2019, seeing a greater need for more funding and to be of assistance with larger projects, the Foundation studied the prospect of expanding the Foundations' capabilities and roles through the possibility of taking over the role of providing industrial training, which had been provided by the Lancaster County Career and Technology Center (LCCTC). The Foundation studied this opportunity upon learning that the LCCTC was actively looking to remove themselves from this role. Board Members worked diligently with legal and accounting agencies to make sure that the proposed expansion of the Foundation was not only feasible but that it would provide the anticipated outcomes for both the County and Foundation, which were to continue industrial training and increase the funding stream. After their review the Board determined that it was appropriate to move forward with the Foundation taking on these additional roles. Since the Foundation has begun overseeing the role of providing training, the Foundation has seen an increase in its funding, and its training options and classes.

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<sup>1</sup> Taken directly from The Foundation's Amended & Restated Bylaws, Article 1

**Lancaster County Public Safety Training Center Foundation**  
**Relevant Audit Notes (*Continued*)**  
**For the period January 1, 2019 through December 31, 2020**

**Note C – SCOPE AND PROCEDURES OF AUDIT**

The period of review is January 1, 2019, through December 31, 2020, which covers the 2019 and 2020 fiscal years. Under the current audit procedures and policies in place, the Lancaster County Public Safety Training Center Foundation has not yet been audited by the Lancaster County Controller's Office.

A sample of revenues and expenses were selected from the years 2019 and 2020. Procedures were performed to test the accuracy, proper approval, account coding, compliance with laws and regulations, and allowability of those transactions.

**Note D – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Lancaster County Public Safety Training Center Foundation reports on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when received and expenses are recognized when the disbursement is made.

**Note E – OBSERVATIONS, FINDINGS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES**

The Controller reported certain observations along with recommendations for improvement as a result of the examination performed over the transactions of the Foundation. The Foundation provided responses to these observations, and recommendations. The sections detailing both follow this note.

**Lancaster County Public Safety Training Center Foundation**  
**Audit Findings and Observations**  
**For the period January 1, 2019 through December 31, 2020**

This section of the report presents the observations that resulted from our annual examination. Following the observations, we provide recommendations to correct or better the described occurrences.

**Observation 1: Segregation of Duties:**

**Background:**

According to the 2020 global fraud study by the Association of Certified Fraud Examiners (ACFE), the typical organization loses an estimated five (5) percent of its annual revenue to fraud.<sup>2</sup> One way to potentially lower the risk of fraud within organizations is to implement segregation of duties. In fact, studies have shown that lacking segregation of duties is a significant factor in almost all occurrences of fraud. Segregation of duties removes the responsibility of a task from one individual and divides it among at least two individuals.

**Description:**

During the audit of the 2019 and 2020 calendar years, it was noted that only one individual has access to the accounting system to enter the financial transactions of the Foundation. This person also creates the financial statements for the Board to review. In addition, the bank statements are received and reconciled solely by this individual. This segregation of duties is important for making sure the deposits and expenses assumed by the Foundation are correct and permitted, and that the financial statements that are prepared are presented accurately. It is important to note that we found no evidence that fraud had occurred.

**Observation 2: Instructor Timekeeping:**

**Background:**

The Foundation employs instructors to offer industrial training to county-wide emergency response and first responders. The instructors are employed on a part time basis and their wages range between four fixed payment amounts which is based on the specific job. The instructor hours are submitted to ADP, who processes the payroll and payroll taxes for the Foundation.

**Description:**

During the testing of expenses, it was noted that the hours worked are recorded on paper, and then entered into an Excel spreadsheet. Throughout the testing we found there were blank cells and a mathematical error when adding up the total amount of hours worked for the week.

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<sup>2</sup> [www.boardandfraud.com](http://www.boardandfraud.com)

**Lancaster County Public Safety Training Center Foundation**  
**Audit Recommendations**  
**For the period January 1, 2019 through December 31, 2020**

In the preceding section of this report, we listed findings and/or observations from our examination. This section of the report presents the recommendations we have provided to correct or better the described occurrences listed in the Audit Findings and Observations.

1. It is recommended that an additional user is added to the accounting software.
2. We recommend that the bank statement is reviewed by a separate individual from the one processing and finalizing the expenses and financial reporting.
3. We recommend that an official log be continuously updated with instructor's hours of work, there are no blank cells, and formulas are used within the Excel spreadsheet. We also recommend that the instructors sign off on their hours worked per week.

**Lancaster County Public Safety Training Center Foundation**  
**Audit Summary of Facts**  
**For the period January 1, 2019 through December 31, 2020**

We have performed specific procedures to assist in evaluating internal control and effectiveness of the Lancaster County Safety Training Center Foundation for the 2019 and 2020 calendar years.

Reportable conditions involved issues coming to our attention relating to significant deficiencies or non-compliance that could adversely affect the Foundation's records. These conditions could adversely affect their ability to record and report financial data consistent with those standards of management. While conducting our audit, we noted observations, and / or issues of non-compliance which are described in the Audit Findings and Observations section above. None of the findings or observations led us to believe that significant deficiencies had occurred.

We sampled transactions from specific accounts to ensure they are executed in accordance with management's approval. Inherent limitations in any internal control structure can cause errors or irregularities to occur and not be detected. Our testing would not necessarily disclose all matters in the internal control structure that might be reportable conditions. Included in our audit, we have reported at least one observation that involves a lack in the internal control structure of the Foundation. In future audits, we will continue to re-evaluate the internal control structure to ensure that policies and procedures do not become inadequate or ineffective because of changes in conditions or design.

We conducted our audit to obtain a reasonable understanding about whether the accounts tested are free of material misstatement. We did not express an opinion or provide any assurance on the information examined because the limited procedures executed do not allow us sufficient evidence to express an opinion.

**Lancaster County Public Safety Training Center Foundation**  
**Audit Responses – September 13, 2021**  
**For the period January 1, 2019 through December 31, 2020**

This section of the report presents responses from the Lancaster County Controller's Office to the responses received from the Foundation on September 13, 2021 in regard to the Lancaster County Public Safety Training Center Foundation draft audit, which was sent to the Foundation on August 28, 2021.

- A. **In response to Observation #1:** The Lancaster County Public Safety Training Center Foundation is discussing adding an assistant treasurer or similar position. They will discuss at their next meeting and review the bylaws to determine the best course of action.

**Controller's Office Response:** The Lancaster County Controller's Office commends the Lancaster County Public Safety Training Center Foundation for taking an initiative to create a clearer segregation of duties among the staff. Having an additional individual assist with the tasks regarding financial transactions will continue to ensure that fraud does not occur and actively presents a level of confidence to the consumers of the Foundation.

- B. **In response to Observation #2:** The Lancaster County Public Safety Training Center Foundation has been contacted by ADP, the processor of their payroll. ADP will be presenting an application that will allow employees to enter their hours via their smart phone. For those who do not own a smart phone, the Foundation will utilize the current process. If the Foundation chooses not to offer this application, they will utilize the current payroll time sheet and have the instructor's sign.

**Controller's Office Response:** The Lancaster County Controller's Office affirmed the observation with the Foundation and recommends that they still track all employees' hours by completing the worksheet in full, to include the instructor's signature. This will alleviate any possible loss of data if there is a system crash within the application or if the Foundation chooses not to provide this application. The instructors will have signed off on their work hours. Having a signed report will serve as a backup to the ADP application if it is ever needed.

**Lancaster County Public Safety Training Center Foundation**  
**Audit Responses – September 13, 2021 (*Continued*)**  
**For the period January 1, 2019 through December 31, 2020**

**Controller's Office Summary:**

We believe that our recommendations will assist the Foundation in accurately and properly recording donations, and processing expenses. We will continue to help the Foundation in any way that we can be of assistance. The willingness and professionalism of the Foundation and its Board shows dedication to the job, and to ensuring the best service is provided by their Foundation. Our observations and recommendations will be monitored in future audits.