

Little Britain Township Tax Collector Audit Report

For the period of January 1, 2016 through January 15, 2017
covering the 2016 tax year



Brian K. Hurter, CPA
Lancaster County Controller

Little Britain Township Tax Collector Audit
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Controller
Brian K. Hurter, CPA

December 29, 2017

Agnes Reeder, Tax Collector
Little Britain Township
165 Honeysuckle Road
Nottingham, PA 19362

Dear Little Britain Township Tax Collector:

Attached is the audit report of your tax collection records for the County of Lancaster, prepared by the Lancaster County Controller's Office. Our examination procedures were performed covering the period of January 1, 2016 through January 15, 2017, which includes settlement for the 2016 tax year.

The purpose of this audit is to ensure compliance with Section 26 (b) (1) of the Local Tax Collection Law, Act of May 25, 1945, P.L. 1050, No. 394 Cl. 53 ("Local Tax Collection Law"). The Local Tax Collection Law contains guidance and procedures for the elected tax collectors. Based upon the audit, we have issued this report.

We conducted our audit to obtain a reasonable understanding about whether the tax collections are free of material misstatement and to determine the accuracy of the timeliness of the County real estate taxes collected, among other procedures. During our review we discovered findings and observations which are listed on page 3 and summarized on page 5.

The financials we have audited are attached as **Exhibit A** and will be included in a summary report issued to the Lancaster County Board of Commissioners, along with the findings and observations. This report is intended for the information and use of the Little Britain Township Tax Collector and the Lancaster County Board of Commissioners, and 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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**Little Britain Township Tax Collector
Relevant Audit Notes
For the period January 1, 2016 through January 15, 2017**

Note A – DESCRIPTION OF TAX COLLECTOR AND TAXING DISTRICT

Agnes Reeder, (“Ms. Reeder”), was elected to the position of Little Britain Township Tax Collector on or about November 5, 2013, to take office on January 1, 2014. Each elected tax collector’s position is a four year term.

In Lancaster County, elected or appointed tax collectors are responsible to collect real estate taxes for the County and municipalities. According to Section 25 of the Local Tax Collection Law, by the tenth day of the immediate following month, 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 Lancaster County Treasurer and the municipality in which they are elected. When settlement of tax records is completed by January 15 of the subsequent year, the tax collector submits unpaid tax parcels to the Lancaster County Tax Claim Bureau.

In 2016, Little Britain Township was the 18th smallest taxing district by total assessed value in Lancaster County with an assessed total of \$260,286,600. Little Britain Township was the 19th smallest taxing district by taxable accounts with a total of 1,519 parcels. Lancaster County is comprised on 60 taxing districts.

Note B – SCOPE AND PROCEDURES OF AUDIT

The period of review is January 1, 2016 through January 15, 2017, which covers the 2016 tax year.

The following procedures were performed during the audit:

- Ensure Monthly Ledger Report or Distribution Summary Report is submitted monthly
- Ensure accurate commissions were paid to tax collector
- Ensure monies due to Lancaster County were properly receipted
- Ensure Lancaster County received the correct amount owed
- Ensure collections were properly paid in correct payment period
- Ensure correct number of parcels were sent to Tax Claim Bureau

Little Britain Township Tax Collector
Relevant Audit Notes (*Continued*)
For the period January 1, 2016 through January 15, 2017

Note C – TAX COLLECTION SYSTEM

The Treasurer's Office purchased and utilized a new tax collection software for the 2016 tax year. The tax collection software, referred to as DEVNET, replaced the previous software, M.R. ETC. The Treasurer's Office no longer supported the M.R. ETC software, and requested the elected tax collectors to utilize DEVNET or another software of their choosing. Ms. Reeder chose to utilize DEVNET for tax collections.

Note D – STATUS OF PREVIOUS AUDIT FINDINGS AND/OR OBSERVATIONS

On June 10, 2016, the Lancaster County Controller issued an audit report of the 2014 and 2015 tax years. The audit noted one finding for the 2014 tax year and one observation for the 2015 tax year. During the 2014 tax year, Ms. Reeder had accepted and recorded multiple discount payments outside of the discount period. During the 2015 tax year, Ms. Reeder had accepted and recorded a discount payment outside of the discount period. Ms. Reeder explained these occurrences with reasonable explanations and the Controller's Office believed the occurrences were isolated instances. We believe the Little Britain Township Tax Collector has complied with our recommendations from the prior audit.

**Little Britain Township Tax Collector
Audit Findings and Observations
For the period January 1, 2016 through January 15, 2017**

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.

Lancaster County provides taxpayers with a 2% discount until April 30 and allows base collections until June 30 of each year so that Lancaster County can use the tax dollars to best serve the residents of Lancaster County as a whole.

Observation 1: Monthly Ledger Report/Distribution Summary Report Not Submitted

Description:

With the switch to DEVNET for the 2016 tax year, the Lancaster County Treasurer's Office requested all elected tax collectors to submit a Monthly Ledger Report or Distribution Summary Report from DEVNET, along with a statement of their collections. This report replaced the previously used DCED report that was required to be submitted. In June, July and October 2016, the Little Britain Township Tax Collector did not submit either report.

Tax Collector's Explanation:

The Tax Collector did not provide any explanation to this observation within the audit response time.

Auditor's Conclusion:

This occurrence was listed as an observation, rather than a finding because it appeared to be an isolated instance and it did not affect the collection of taxes. However, we believe that the Tax Collector should comply with any documentation requests that are set by the Lancaster County Treasurer's Office so that the reports can be reviewed for accuracy.

Little Britain Township Tax Collector
Audit Recommendations
For the period January 1, 2016 through January 15, 2017

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

1. Monthly Ledger Reports or Distribution Summary Reports should be submitted, signed, and dated each month and sent to the Lancaster County Treasurer's Office to ensure the data on the reports was reviewed for accuracy by the tax collector.

Little Britain Township Tax Collector
Audit Summary of Facts
For the period January 1, 2016 through January 15, 2017

We have performed the procedures explained in Note B to assist in evaluating compliance for the 2016 tax year ended January 15, 2017 for the Little Britain Township Tax Collector. Our procedures described follow specific requirements of the Local Tax Collection Law. The purpose of this audit is to ensure our compliance with Section 26 (b) (1) of the Local Tax Collection Law. The Local Tax Collection Law contains guidance and procedures for the elected tax collectors.

Reportable conditions involved issues coming to our attention relating to significant deficiencies or non-compliance that could adversely affect the tax collector's ability to show a true representation of the monies collected. While conducting our audit, we reported findings and observations along with recommendations to correct or better the described occurrences. During the examination, we noted three months where the Monthly Ledger Report or Distribution Summary Report from DEVNET was not submitted as requested by the Lancaster County Treasurer's Office. We believe these were isolated instances. Any audits of this tax collector dated beyond the date of this report, will encompass further reviews of such occurrences to verify the tax collector is in compliance with applicable policies and procedures.

We conducted our audit to obtain a reasonable understanding about whether the tax collections are free of material misstatement 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 Little Britain Township Tax Collector. It is our opinion that the taxes collected by the Little Britain Township Tax Collector appear properly collected, accounted for, and remitted to Lancaster County in a timely manner. It is also our opinion that the tax collections by the Little Britain Township Tax Collector appear to be in compliance with those generally accepted policies and procedures for tax collectors. We further believe the monthly tax balances recorded on the Tax Collection Reports are accurately stated.

The tax monies collected for Little Britain Township in 2016 are shown in **Exhibit A: Financial Statements of Tax Duplicate Collections**.

Exhibit A

LITTLE BRITAIN TOWNSHIP DUPLICATE TAX COLLECTIONS - 2016

Month	Prev Balance	Exons	Collected @ Disc	Disc	Collected @ Base	Collected @ Pnlty	Penalty	Total Tax Rcvd	Ending Balance	If Collected @ Base
FEBRUARY	\$ 936,408.97		\$ 29,968.88	\$ 599.38				\$ 29,369.50	\$ 906,440.09	\$ 29,968.88
MARCH	906,440.09		134,983.72	2,699.57				132,284.15	771,456.37	134,983.72
APRIL	771,456.37	154.26	487,909.98	9,758.26				478,151.72	283,392.13	487,909.98
MAY	283,392.13	326.06	114,521.12	2,290.52				112,230.60	168,544.95	114,521.12
JUNE	168,544.95				83,385.79			83,385.79	85,159.16	83,385.79
JULY	85,159.16				19,355.52	11,415.67	1,141.59	31,912.78	54,387.97	30,771.19
AUGUST	54,387.97					12,457.34	1,245.74	13,703.08	41,930.63	12,457.34
SEPTEMBER	41,930.63					1,461.51	146.15	1,607.66	40,469.12	1,461.51
OCTOBER	40,469.12					4,150.32	415.03	4,565.35	36,318.80	4,150.32
NOVEMBER	36,318.80					483.68	48.36	532.04	35,835.12	483.68
DECEMBER	35,835.12					15,604.84	1,560.49	17,165.33	20,230.28	15,604.84
End of Year	20,230.28							-	20,230.28	-
TOTAL		\$ 480.32	\$ 767,383.70 81.95%	\$ 15,347.73	\$ 102,741.31 10.97%	\$ 45,573.36 4.87%	\$ 4,557.36	\$ 904,908.00 96.64%	\$ 20,230.28	\$ 915,698.37 97.79%

Discount Period - paid by April 30th
 Base Period - paid by June 30th
 Penalty Period - paid after June 30th

No End of Year Collections