

## **Independent Accountants' Report on Applying Agreed-Upon Procedures**

Joanne Phillips, Controller  
County of Delaware, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Controller of the County of Delaware ("County") for purposes of evaluating internal controls associated with certain functions of the Sheriff's Office on procedures as described below for the period January 1, 2017 through December 31, 2017. The County of Delaware management is responsible for procedures listed from January 1, 2017 through December 31, 2017. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Inquire as to the types of the controls surrounding cash receipts for foreclosures collected in the Sheriff's Office; and inspect a sample of 25 cash receipts for each source of funds identified.

**We inquired as to the types of controls surrounding cash receipts for foreclosures collected in the Sheriff's Office and inspected a sample of 25 cash receipts with the following exceptions identified:**

- **The Sheriff's Office was able to provide support for the selected receipts; however, we were unable to trace the receipts to the Daily Sheriff's Office Deposit Summary Report. Therefore, we were unable to trace the sample of 25 foreclosure cash receipts through the entire cash receipt cycle. We have identified this as an exception. We have traced the Daily Sheriff's Office Deposit report through the remaining process of the cash receipt cycle in procedure 3 below.**
- **We inquired of Kendall Gallagher, Sheriff's Administrative Aide, who indicated that there is no reconciliation of the bookkeeping software, also known as RESA, to the County General Ledger performed.**

4. Inquire as to the types of the controls surrounding cash receipts for gun permit sales collected in the Sheriff's Office; and inspect a sample of 25 cash receipts for each source of funds identified.

**We inquired as to the types of controls surrounding cash receipts for gun permit sales collected in the Sheriff's Office and inspected a sample of 25 cash receipts with the following exceptions identified:**

- **The Sheriff's Office was able to provide support for the selected receipts; however, we were unable to trace the receipts to the Daily Sheriff's Office Deposit Summary Report. Therefore, we were unable to trace the sample of 25 gun permit cash receipts through the entire cash receipt cycle. We have identified this as an exception. We have traced the Daily Sheriff's Office Deposit Summary Report through the remaining process of the cash receipt cycle in procedure 3 above.**

- **We inquired of Kendall Gallagher, Sheriff's Administrative Aide who indicated that there is no reconciliation of RESA to the County General Ledger performed.**

5. Inquire as to the types of the controls surrounding cash disbursements requested by the Sheriff's Office; and inspect a sample of 25 cash disbursements.

**We inquired as to the types of controls surrounding cash disbursements requested by the Sheriff's Office and inspected a sample of 25 disbursements. In doing so, we agreed the disbursements to the underlying invoice, check request, and purchase order as applicable, observed proper approval, and traced the disbursement to the general ledger with no exceptions identified.**

6. Inquire as to the types of the reconciliation process of Sheriff Office cash accounts; and inspect a sample of 4 months of reconciliations.

**We obtained an understanding of the reconciliation process for the Sheriff's Office cash account, listed in procedure 7 below, and inspected a sample of 4 months of reconciliations with no exceptions identified.**

7. Inquire as to the types of the controls surrounding the issuance, monitoring, and reporting of gun permits; and inspect a sample of 25 permits issued by the Sheriff's Office.

**We inquired as to the types of controls surrounding the issuance, monitoring, and reporting of gun permit sales collected in the Sheriff's Office, and inspected a sample of 25 gun permits issued by the Sheriff's Office. In doing so, we observed the complete gun permit application and confirmed the Pennsylvania Instant Check System approval status and number agreed approved application with no exceptions identified.**

8. Obtain the following for each financial institution with whom the Sheriff's Office has a relationship:

a. Listing of all active bank accounts:

**We obtained the following listing of active bank accounts for the period of January 1, 2017 through December 31, 2017:**

- o **County of Delaware General Fund  
General 365218783  
TD Bank N.A**

**We inquired of the Sheriff, Jerry L. Sanders, Jr., and the Sheriff's Administrative Aid Kendall F. Gallagher, who indicated that the Sheriff's Office did not maintain any active bank accounts outside of the central general fund cash account indicated above for the period January 1, 2017 through December 31, 2017.**

b. Listing of all bank accounts closed within the last 2 years:

**Not Applicable - We inquired of the Sheriff, Jerry L. Sanders, Jr., and the Sheriff's Administrative Aid Kendall F. Gallagher, who stated the Sheriff's Office did not close any bank accounts within the last 2 years.**

c. Listing of authorized check signers for each account:

**We obtained a listing of all authorized check signors noting that no members of the Sheriff's Office are authorized check signors for the General Fund account indicated above. The authorized check signors are John Dowd, Treasurer, Joanne Phillips, Controller, and John P. McBlain, Chairman.**

9. Obtain the following for all credit cards institutions with whom the Sheriff's Office has a relationship:

- a. Authorized users
- b. Credit card limit
- c. How long the account has been active.

**Not Applicable - We inquired of the Sheriff, Jerry L. Sanders, Jr., and the Sheriff's Administrative Aid Kendall F. Gallagher, who stated the Sheriff's Office staff did not have any credit cards during the period of January 1, 2017 through December 31, 2017.**

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on procedures listed above from January 1, 2017 through December 31, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Controller and Sheriff's Office of the County of Delaware and is not intended to be, and should not be, used by anyone other than those specified parties.

*Baker Tilly Virchow Krause, LLP*

Philadelphia, Pennsylvania  
January 15, 2019