

2025
ANNUAL REPORT

Lehigh County, Pennsylvania

Mark Pinsley
County Controller

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NOTE FROM THE CONTROLLER



Mark Pinsley, County Controller

The Controller's Office plays a vital role in safeguarding the financial integrity of county government. Our mission is to protect taxpayer resources by ensuring public funds are managed responsibly, expenditures comply with applicable regulations, and financial activities are conducted with transparency and accountability. Each year, the office reviews thousands of financial transactions across county operations, including payroll, vendor payments, contracts, and court-related financial systems operate effectively. Our work focuses on three primary areas of financial oversight.

First, we examine payroll and vendor disbursements to confirm payments are accurate, properly authorized, and in compliance with county policies and procedures. These reviews help ensure that taxpayer funds are handled responsibly and that financial systems operate effectively.

Second, we conduct audits of financial activities within the courts and correctional facilities, including the management of fines, fees, and inmate accounts. These audits verify that funds are properly recorded, safeguarded, and subject to appropriate internal controls.

Third, we review procurement and contracting activities to ensure county departments follow established purchasing and financial regulations. Adherence to these standards promotes fairness, transparency, and responsible stewardship of public funds.

Beyond reviewing transactions after they occur, the Controller's Office also participates in key stages of the payment process by performing final reviews on certain expenditures. This proactive approach helps identify potential issues early and strengthens financial controls across county operations.

During the past year, our audits highlighted areas of risk but also provided practical recommendations that with implementation will enhance oversight, improve procedures, and reduce costs.

Another important responsibility of the office is administration of the **County Ethics Hotline**, which allows employees and residents to report suspected fraud, waste, or misuse of county resources. The office reviews each report carefully and, when appropriate, refers matters to the proper investigative or administrative authority. The hotline remains an important tool in promoting accountability and strengthening public trust.

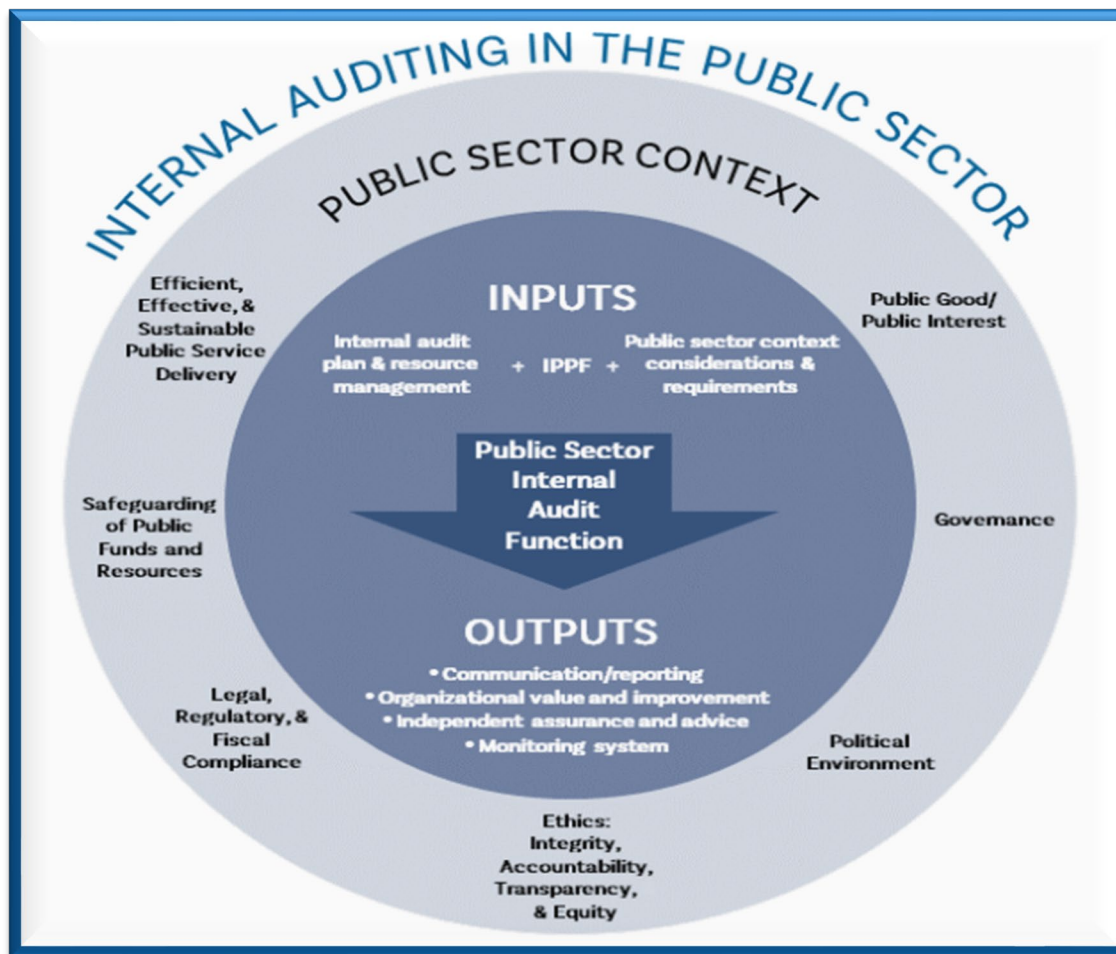
The work of the Controller's Office is carried out by a dedicated team of professionals with expertise in auditing, accounting, fraud examination, and risk management. Their diligence, professionalism, and commitment to public service help ensure that county financial systems remain strong and that taxpayer resources are protected.

The Controller's Office remains committed to providing independent oversight and responsible financial stewardship on behalf of the residents of **Lehigh County**.

MISSION STATEMENT

The Controller, an independently elected official, is legislatively empowered by § 503 of the Lehigh County Home Rule Charter and § 502 of the Lehigh County Administrative Code. This independence allows the Controller to examine records, files, and procedures pertaining to the receipt and expenditures of County funds, ensuring transparency and your trust in the system.

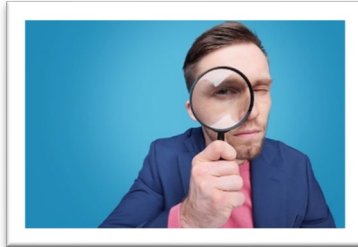
The Controller’s Office plays a crucial role in assessing the management, performance, and program results of any county department or agency. This evaluation is aimed at ensuring the efficiency and economy of the agencies or departments’ use of taxpayer funds, keeping you informed and aware of the system's operations.



Source: Unique Aspects of Internal Auditing in the Public Sector, 2nd Edition, Issued by the IIA, June 18, 2024

MISSION STATEMENT

To EXAMINE the adequacy of internal controls



To ASSESS compliance with statutory requirements



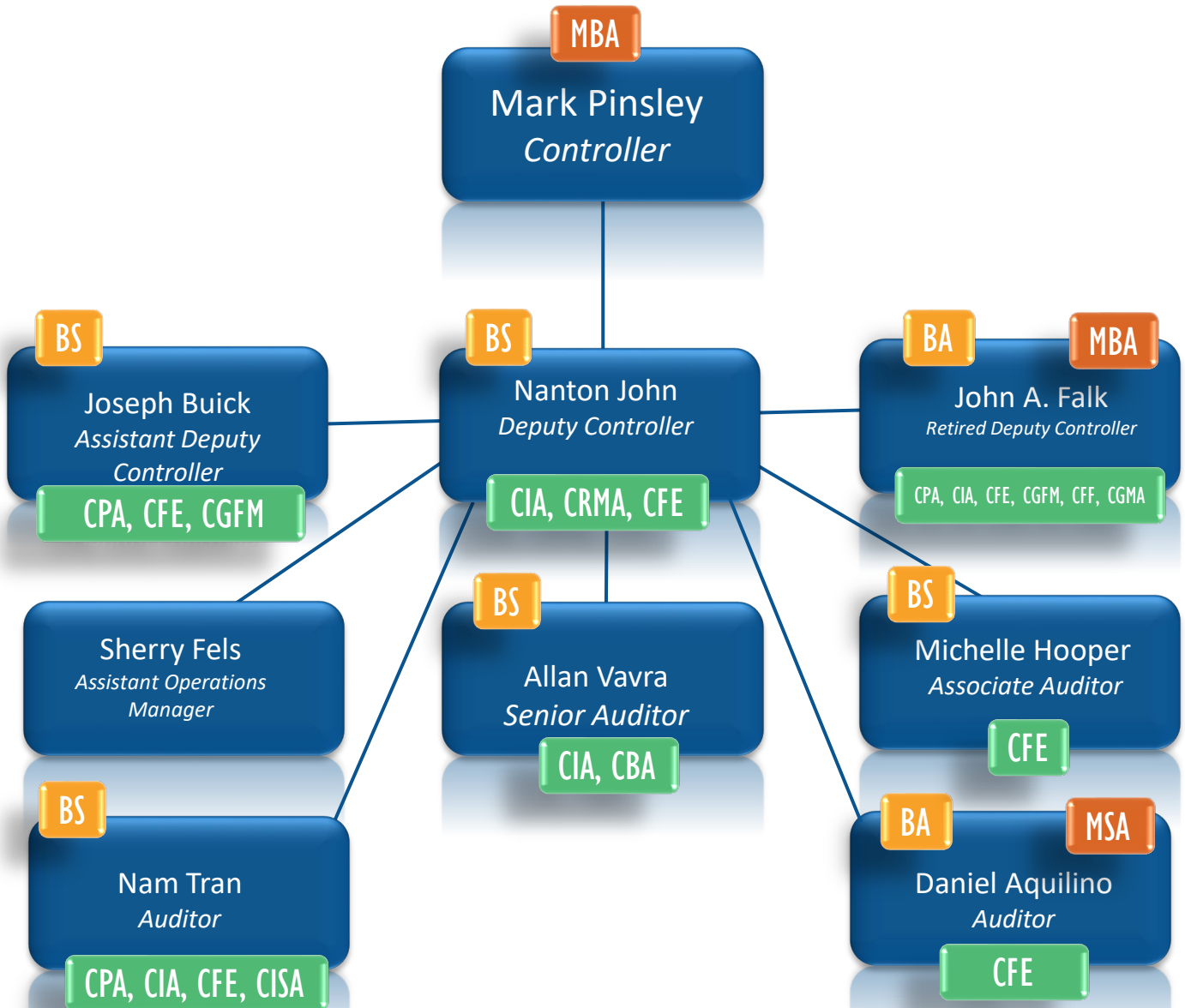
To EVALUATE operating procedures



To AUDIT the accuracy & completeness of records and files pertaining to the receipt and disbursement of County funds by all officers, agents, and employees of the County



STAFF CREDENTIALS & CERTIFICATIONS



MBA
MSA
BA
BS
CBA
CFE

Masters in Business Administration
Masters of Science in Accountancy
Bachelor of Arts
Bachelor of Science
Certified Bank Auditor
Certified Fraud Examiner

CFF
CGFM
CGMA
CIA
CPA
CRMA

Certified in Financial Forensics
Certified Governmental Financial Manager
Certified Global Management Accountant
Certified Internal Auditor
Certified Public Accountant
Certified in Risk Management Assurance

AUDIT INTRODUCTION

WHAT IS AN AUDIT?

An internal audit is a comprehensive review of county operations and procedures, office transactions, and financial activities. It involves a thorough examination of cash receipts, disbursements, and changes in fund balances, ensuring that every aspect of the financial operations is scrutinized.

Audits are governed by professional associations of industry professions who set guidelines for how to properly

conduct an audit. These organizations include the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States (GAGAS), American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditors (IIA).

There are four types of audits typically conducted by the controller's office.

The first three types of audits are conducted to ensure that county offices' financial activities are fairly stated, their programs are producing the intended results and operating effectively, and proper internal controls are in place. For the fourth type of audit, departments, officials, or commissioners can request an attestation agreed-upon procedures engagement. These audits do not produce findings and recommendations but provide answers to specific questions made by the requesting party.

Audits are scheduled based on a county-wide assessment of risk performed by office staff. The staff considers time since the last audit, legal requirements mandating audits, system changes and staff turnover to determine when an audit is needed most.



2025 AUDIT CATEGORIES

FINANCIAL

These audits are conducted to ensure that financial statements, bank records, and receipts are being prepared and maintained properly and are accurate.



PERFORMANCE

These are independent assessments of an entity's operations to determine if specific programs or functions are working as intended to achieve stated goals.

COMPLIANCE

A compliance audit is intended to ensure that an office or entity is following established operating guidelines and policies.



NON-AUDIT SERVICE/SPECIAL REPORT

These consist of routine activities and special reports. The special reports are used to make certain recommendations to county officials, but are not conducted under government auditing standards. Recommendations and documentation are reviewed by audit staff.

AGREED UPON PROCEDURES

These limited engagements are typically conducted at the request of senior management or governance officials, and provide answers to specific inquiries rather than expressing an opinion or conclusion.

RISK-BASED AUDITING

In addition, the Controller's Office now produces special reports and essays as non-audit services. These are not conducted in accordance with government auditing standards, as they are not actual audits. The topics for these reports are varied, based on current events and their relevance to county government.

WHO ARE THE STAFF?

We are a team comprised of experienced professionals with varying business experiences. Many of us have professional certifications such as Certified Government Financial Manager, Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, and Certification in Risk Management Assurance.

AUDIT PLANS ARE BASED ON RISK ASSESSMENT

All county activities are subject to audit. Generally, we select audits based on a number of risk factors. We look at things such as the time since your last audit, the size of your operation, system changes, and turnover of key staff. Various factors are weighed to determine our audit plan.

WHO IS THE CONTROLLER?

The County Controller, Mark Pinsley, is an elected official, independent of the administrative, legislative, and judicial branches of Lehigh County Government. Audit reports are issued to the audited management, the County Executive, the Board of Commissioners, and any other parties in charge of governance. All audit reports are a matter of public record and are available on the County of Lehigh website under the Office of the Controller. Reports issued by the Office of the Controller are available on the internet with the link below.

Reports &
Reviews



CLASSIFICATION OF AUDITS

We classify our audit population into three categories:

1. CONTINUOUS

2. PERIODIC

3. HIGH PRIORITY

CONTINUOUS

Many class 1 audits are audits we have to do because of a statutory requirement (county or state.) Class 1 audits also include what we classify as “**Continuous Audits**” – the verification of monthly reported revenue for row offices and magisterial district court offices, weekly vendor payment reviews, bi-weekly payroll reviews, monthly pension payment reviews, and other periodic disbursements made by the county. Other mandated audits include, among others, the magisterial district justice operations, nursing home resident trustee accounts, jail inmate accounts, and the district attorney’s annual controlled substance and other statutory forfeiture report.

PERIODIC

Class 2 audits are discretionary and are scheduled based on individual priority and staff time availability. The population of class 2 audits is not static, but a dynamic and evolving list that we continuously expand as we identify changing risk factors and additional audit concerns. We refer to these audits as “**Periodic Risk-based Audits**” – involving financial / attestation/performance audits requiring analytical review, substantive detail testing, tests of internal control, and management effectiveness & efficiency.

HIGH PRIORITY

Class 3 audits are “**High Priority**” (fraud, ethics hotline, or special request) audits. This work is generally not known ahead of time. Class 3 audits require immediate focus and attention and are given priority over class 1 and 2 audit work.

AUDITING STANDARDS

The office of the controller performs the internal auditing function of the county. Government auditing provides the objective analysis and information needed to help improve government performance and accountability for the benefit of citizens. A general statement of purpose, authority and responsibility for the office of the controller is included in the county home rule charter and administrative code.

The Government Auditing Standards, issued by the Comptroller General of the United States, provides auditing guidelines for financial, attestation, and performance audits. Professional standards are also promulgated by the American Institute of Certified Public Accountants and several other authoritative accounting and auditing organizations.

CONTINUING PROFESSIONAL EDUCATION REQUIREMENTS

The Institute of Internal Auditors, the Association of Certified Fraud Examiners, and the Association of Government Accountants each have similar requirements to maintain their respective certifications.

	HOURS REQUIRED	NUMBER OF YEARS FOR COMPLETION	OTHER REQUIREMENTS
GOVERNMENT	80	2	24 hours in government-related courses
AICPA	120	3 (20 hours minimum/year)	
PICPA	80	2	

ASSOCIATION OF LOCAL GOVERNMENT AUDITORS PEER REVIEW

The Association of Local Government Auditors (ALGA), recognizing the crucial need for consistency and adherence to industry standards, introduced the Peer Review Process in 1991. This process, a cornerstone of our profession, ensures that local government auditors operate in line with the established standards. The Yellow Book, a publication of the Government Accountability Office, is a vital resource that provides the practices and unified guidelines for conducting government audits. ALGA conducts a comprehensive peer review every three years to determine whether the quality control system of the government auditing divisions follows government auditing standards. A team of auditors meticulously selects a sample of audits conducted over the three-year review period. They are reviewed in detail to assess the quality of the audit, the adequacy of the internal quality control system, and compliance with the GAO's Government Auditing Standards. Lehigh County Controller's Office once again received a pass rating from the

review team, and was awarded a certificate of compliance on Monday, June 28, 2024 for reports issued during the period July 1, 2021 to December 31, 2023. This indicates the internal quality control system in place was adequately designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards. The next peer review will be for January 1, 2024 through December 31, 2026.



AUDIT EFFECTIVENESS QUESTIONNAIRE

Beginning in late 1998, the office of the controller sent an audit effectiveness questionnaire to the audited management team after each audit was completed. Our questionnaire topics included audit planning, fieldwork, and reporting. Ratings from 1 (inadequate) to 5 (excellent) were requested for each of the 13 questions related to our audit performance. Other written comments were also requested from the audited management team.

The average of the responses received rate our performance as 4.6 in 2025. The following are the ratings for the five years prior:

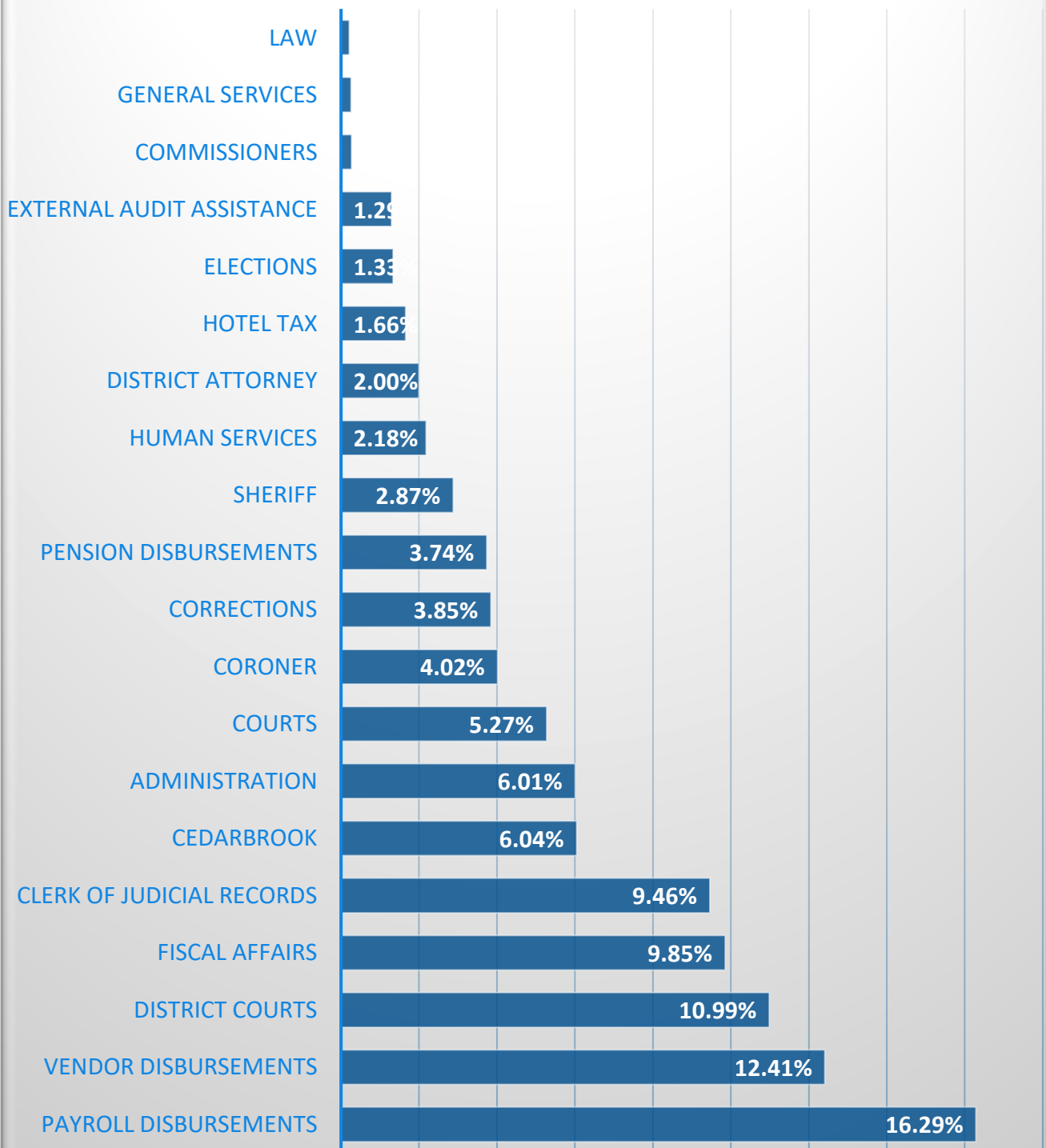
The questionnaire is helpful to gauge the effectiveness of our audits and the degree of customer satisfaction. The input received helps us in the planning and performance of future audits. We thank all who took the time to respond to the questionnaire.



The questionnaire describes a 4 rating as “very good” and a 5 as “excellent.”

2025 AUDIT HOURS

Summary of Hours by %



DESK “AUDITS”

OUR “EARLY WARNING” SYSTEM

WHAT IS A DESK AUDIT?

A desk audit, despite its name, is not an audit in the traditional sense. It is a proactive spot-check clerical review of monthly reports. This proactive approach serves as an early warning system, providing ongoing oversight for cash-handling offices. If any thing unusual is noted during a desk audit, the auditors investigate the matter immediately. These monthly clerical reviews are designed to promptly identify any unusual situation that requires our attention. Ultimately, full financial or performance audits are performed. These audits, unlike desk audits, are comprehensive and are conducted on a cyclical basis to assess the overall financial or operational performance of the cash-handling office.

2025 DESK AUDITS

ROW OFFICES — Monthly desk audits of row office reports for the period January 2025 through December 2025 (continuous monitoring)

- Register of Wills Division*
- Recorder of Deeds Division*
- Clerk of Courts Criminal Division*
- Clerk of Courts Civil Division*
- Orphans Court Office
- Coroner’s Office
- Sheriff’s Office
- Domestic Relations

*These offices are part of the Clerk of Judicial Records Office.

MAGISTERIAL DISTRICT JUDGES

Monthly desk audits of 14 Magisterial District Court offices’ reports for the period January 2025 through December 2025 (continuous monitoring)

PURPOSE OF AUDITS

For the row offices:

- To verify sequential receipt usage
- To verify reported revenue matches bank deposits and actual receipt of funds by the office of fiscal affairs
- To verify bank reconciliations are performed on a timely basis

For the magisterial district court offices:

- To verify the county share of costs & fines collected and remitted
- To verify escrow balance control
- To verify monthly bank account reconciliations

2025 AUDITS

AUDIT REPORTS

ETHICS HOTLINE

Activity For the Year 2024

REPORT 25-01

Purpose of Audit

In accordance with Ordinance 1993-130, the County of Lehigh established a hotline (610-782-3999) for the reporting of suspected theft, fraud, and abuse of county resources and/or assets. During 2023, an online reporting form and a printable form were added for reporting convenience. The Association of Certified Fraud Examiners (ACFE) report identified the top three reporting mechanisms as email, online reporting, and a telephone hotline. Due to the reporting mechanisms in place, the Controller's Office pursued 49 total submissions, which included lost/stolen equipment in 2024. By expanding ways to report suspicious activity, the amount of Ethics cases have increased 32.4% in just one year! All methods of reporting suspicious activity are available for use by both county employees and the public 24 hours a day. Individuals can report anonymously any situation that appears improper. All submissions are investigated by the Controller's Office or are directed to the proper authority (if not under county jurisdiction).



REPORT 25-02

COMMUNITY CORRECTIONS CENTER

Financial—For the Years 2021, 2022, 2023

The CCC houses select sentenced male and female residents in a minimum-security setting that allows them to participate in rehabilitative programs, secure/maintain employment and pay their court costs, child support, room and board, etc.

Purpose of Audit

We performed a financial audit of the Statement of Receipts, Disbursements, and Changes in Cash Balance of the Community Corrections Center for the years ended December 31, 2021, 2022 and 2023. This audit focused on the money owed by inmates (ankle monitor supervision, drug testing, Domestic Relations Fees and costs and fines related to their sentence) that is paid by money orders to Work Release on a bi-weekly basis.

2025 AUDITS

AUDIT REPORTS

MAGISTERIAL DISTRICT COURTS

Financial- For the years 2022-2023

A Magisterial District Court acts as the first level of judicial authority in Pennsylvania, handling minor criminal, civil, and traffic matters to provide localized, efficient justice. These courts, led by elected judges, manage summary offenses, civil disputes up to \$12,000, preliminary hearings for felonies/misdemeanors, bail setting, and landlord-tenant issues.

Purpose of Audit

The Controller's Office reviewed the payments remitted by the District Courts to Lehigh County for compliance with the Administrative Office of the Pennsylvania Courts policies and procedures. The audit objectives were to ensure the financial statements were fairly stated and internal controls over financial transactions were adequate. These reports summarized the financial activity for 10 of the 13 Magisterial District Courts in the audit period, as well as the summary audit report.

REPORTS

25-03
25-04
25-05
25-09
25-11
25-13
25-14
25-15
25-19
25-20
25-25

REPORT 25-06

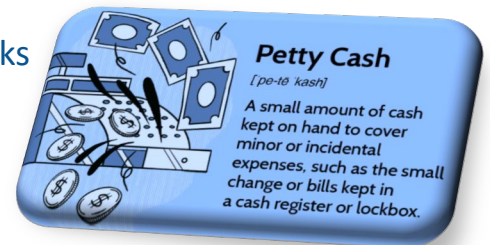
IMPREST FUNDS

Compliance for the Year 2024

Numerous County of Lehigh offices require change and petty cash funds to conduct operations. These funds are referred to as "Imprest Funds" and are tracked as assets on the County's books and accounts.

Purpose of Audit

The Office of the Controller is responsible for auditing county disbursements and reviewing warrants for the expenditure of county monies as described in Section 503 of the County of Lehigh Home Rule Charter and Section 502 of the Administrative Code. The Controller's Office conducted unannounced cash and cash equivalent counts (investments that can be easily converted into cash) at all known county departments that maintain imprest funds to ensure funds are intact and adequately secured and to review cash handling procedures with staff.



2025 AUDITS

AUDIT REPORTS

CONTRACT FOR PROFESSIONAL SERVICES PRIME CARE MEDICAL, INC.

Compliance—For the period 08/01/2022 through 07/31/2024

REPORT 25-07

Lehigh County uses PrimeCare Medical, Inc. to provide comprehensive Medical, Dental, Medication Assisted Treatment (MAT), Mental Health and related services to the inmate/patient population in the custody and control of the Department of Corrections.

Purpose of Audit

The Department of Corrections contract for professional services with PrimeCare Medical, Inc., approved via Resolutions 2022-38 and 2023-26, was audited for compliance with the billing transactions related to the provision of comprehensive healthcare services to the inmate population between August 1, 2022 and July 31, 2024.

REPORT 25-08

SHERIFF'S OFFICE

Financial—For the Year 2023



The mission of the Lehigh County Sheriff's Office is to offer the highest quality in law enforcement services and attentiveness to all of the people of Lehigh County. Unlike a municipal police department, the Sheriff's Office is primarily responsible for enforcing court orders and maintaining security within the judicial system. They also serve a variety of legal documents issued by the Court of Common Pleas, provide armed protection for judges, courtrooms and county buildings, transportation of prisoners and issuance of concealed carry permits.

Purpose of Audit

The controller's office completed a financial audit of the Sheriff's Office for the 2023 calendar year. This audit was conducted in order to verify the accuracy of the Statements of Receipt, Disbursements and Changes in Fund Balance.

2025 AUDITS

AUDIT REPORTS

CLERK OF JUDICIAL RECORDS- RECORDER OF DEEDS DIVISION

Financial For the Years 2022 and 2023

REPORT 25-10

The Recorder of Deeds Division maintains land records of real estate in Lehigh County and carries out the following: Record and index of deeds and documents, mortgages, state commissions and bonds for Notary Publics and County Elected Officials, Military discharge papers, Powers of Attorney, Certify recorded documents, collect and distribute Realty Transfer tax to the Department of Revenue, local municipalities and school districts and providing the public access to recorded documents and indices.

Purpose of Audit

The Recorder of Deed's Division financial audit was performed to examine the internal controls and ensure the accuracy of the Statements of Receipt and Disbursements in accordance with the auditing standards generally accepted in the United States of America(GAAS).

RECORD ALERT

FREE REGISTRATION

Sign up today at:

<https://www.landex.com/recordalert/lehigh>

MONITOR RECORDINGS

Two reasons to monitor recordings:

1. To ensure when you do purchase a property, take out a mortgage, or satisfy a mortgage, those documents are recorded in your name so that you are the legal and rightful owner on record
2. To ensure that no fraudulent document has been filed taking out a mortgage or taking possession of property without knowledge or consent

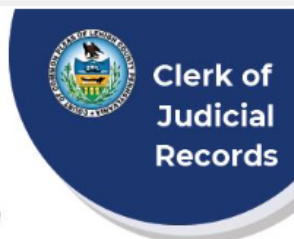
HOW DOES IT WORK?

Receive alerts when a document is recorded involving your property

Notification can be a text or email and will state:

- o Parcel Number
- o Instrument Number
- o Document Type
- o Date Recorded

[CONTACT US](#)



The Clerk of Judicial Records offers Record Alert, a FREE service to Lehigh County Property Owners to protect them from Fraudulent Activity regarding their mortgage and property documents.

2025 AUDITS

AUDIT REPORTS

CLERK OF JUDICIAL RECORDS- REGISTER OF WILLS DIVISION

Financial for the years 2022 and 2023

REPORT 25-12

The Register of Wills Division is primarily responsible for the probate of estates and to act as an agent for the Commonwealth of Pennsylvania in the collection of inheritance taxes.

Purpose of Audit

The Register of Wills Division financial audit was performed to examine the internal controls and ensure the accuracy of the Statements of Receipt and Disbursements in accordance with the auditing standards generally accepted in the United States of America(GAAS).

REPORT 25-16

REAL ESTATE TAX COLLECTIONS

Financial for the year 2024



The Bureau of Tax Claims is a county-level agency responsible for collecting real estate taxes. The Tax Claim Bureau's objective is the enforcement of the Pennsylvania Real Estate Tax Sale Law, Public Law 1368, Act 542 of July 7, 1947. The Office of Fiscal Affairs is the department that handles collection of the current portion of Real Estate Taxes in Lehigh County.

Purpose of Audit

This audit was performed to ensure the accuracy of the Statement of Final Settlement of Lehigh county Real Estate Tax Collections of the Office of Fiscal affairs in accordance with the auditing standards generally accepted in the United States of America(GAAS).

2025 AUDITS

AUDIT REPORTS

PENSION PAYMENTS

Compliance for year 2024

REPORT 25-18

Upon retirement from Lehigh County, demands for pension payments are received, reviewed and approved by the pensioner, and then verified and recalculated by third-party actuaries. That demand is then forwarded to the Office of Fiscal Affairs where they are reviewed, audited, and approved for payment by the Office of Fiscal Affairs. The Controller's Office, in compliance with the County's Home Rule Charter and Administrative Code, performs a final review before payment.

Purpose of Audit

The 2024 Pension Payment Audit was performed to ensure the compliance of the Office of Fiscal Affairs' county pension payments were being prepared in accordance with the County of Lehigh Home Rule Charter and Administrative Code (as Amended) and in the County Pension Law-Pennsylvania State Act Number 96 Of 1971.

REPORT 25-21

BUREAU OF COLLECTIONS

Financial For the Year 2024

The Bureau of Collections is tasked with the enforcement and collection of various court-related financial obligations. Case cost and fees are entered into the collection system by various county departments that include the Clerk of Courts, Juvenile and Adult Probation Departments, Sheriff's Office and the Department of Corrections. Costs and fees include:



Purpose of Audit

The Bureau of Collections Financial Audit for calendar year 2024 was performed to ensure the accuracy of Statements of Receipts and Disbursements in accordance with the auditing standards generally accepted in the United States of America (GAAS).

2025 AUDITS

AUDIT REPORTS

VENDOR PAYMENTS

Compliance for 2024 Calendar Year

REPORT 25-22

All demands for payments are received, reviewed and approved by applicable departments and business units of the County. Once authorized for payment, the approved demand is forwarded to the Office of Fiscal Affairs. All payments will be processed in accordance with County of Lehigh Administrative Codes, Section 604.3 and 604.4. The Controller's Office will perform a final review in accordance with the County Home Rule Charter and the County of Lehigh Administrative Code prior to payments being made.

Purpose of Audit

This audit was conducted in order to evaluate compliance with the County of Lehigh Home Rule Charter and the Administrative Code requirements for vendor payments, and validated compliance with the submission of required campaign finance forms for applicable contracts in accordance with the County Administrative Code.



REPORT 25-23

Tax Delinquency and Paid Rent Provisions (BAD BOY)

Compliance—For the Year 2024

The County of Lehigh contracts with vendors for services and resources rendered. Annually, the fiscal office alerts the Board of Commissioners and notifies respective Departments to withhold payments to vendors who are delinquent in taxes to the county for the fiscal year.

Purpose of Audit

The controller's office completed an audit of compliance with paragraphs (B) through (E) of Section 801.2 of the County of Lehigh Administrative Code, for the calendar year ended December 31, 2024. These paragraphs set forth requirements for select vendors/contractors staying current on county real estate tax payments and rents due as a prerequisite to doing business with the County of Lehigh.

2025 AUDITS

AUDIT REPORTS

MEDICAL CLAIM PAYMENT FOLLOW UP

Follow Up to Audit # 22-16

REPORT 25-24

Performance audit #22-16 focused on administrative responsibilities, an analysis of paid medical claims in compliance with contractual obligations, and the identification of areas of potential cost savings. Significant items were identified and recommendations were made for enhanced oversight, transparency and the potential of reduced costs to for the County.

Purpose of An Audit Follow Up

The purpose of an audit follow-up is to verify that management has effectively implemented agreed-upon corrective action plans to resolve issues identified during the initial audit. It ensures that risks are properly mitigated, improvements are sustainable and that the organization remains compliant with standards. This process fosters accountability and supports continuous improvement.

REPORT 25-26

CONTROLLED SUBSTANCE FORFEITURE

Agreed Upon Procedure (AUP) for the period 7/1/24 to 6/30/2025

Controlled substance forfeiture is a legal process where law enforcement seizes property—including drugs, cash, vehicles, and real estate—believed to be used in or derived from illegal drug trafficking, making it subject to forfeiture to the government. It often operates as a civil action, meaning property can be taken without a criminal conviction.

Purpose of Audit

The Controller's Office verified the accuracy of reported controlled substance forfeitures and other statutory asset forfeitures as reported by the Lehigh County District Attorney's Office.



2025 AUDITS

AUDIT REPORTS

YEAR END PAYROLL

Financial—For the Year 2024

REPORT 25-27

The payroll system is a function shared by Human Resources (HR), the Office of Fiscal Affairs, the Department of Information Technology (IT), and the County's third-party payroll vendor, iSolved. The Controller's Office reviews payroll disbursements throughout the year and performs additional testing at year-end.

Purpose of Audit

We completed a performance audit evaluating the effectiveness of Lehigh County's year-end payroll processing for the year 2024. The audit criteria included compliance with County of Lehigh Personnel Policies and Procedures as established by the Department of Administration. This was done to review year-end external payroll reports and procedures and compile internal management reports on regular pay, overtime, part-time employees, excessive compensatory time, excessive vacation time, inactive employees, and other payroll & human resources performance issues.



REPORT 25-28

DEPARTMENT OF CORRECTIONS INMATE ACCOUNTS

Financial—For the Years 2021-2023

The Department of Corrections maintains separate transactions ledgers for the purpose of tracking inmate cash receipts and cash disbursements. Transactions include cash taken at time of incarceration, deposits made on inmate's behalf, earnings from prison jobs, commissary purchases, third-party payments on behalf of the inmates, dormant account fees, medical fees, inmate processing fees, restitution, and distribution of account balances upon release or transfer to another facility.

Purpose of Audit

Our audit evaluated whether the Department of Corrections' financials were fairly stated and whether the department has adequate internal control mechanisms for inmate ledgers and reconciliations to ending fund balances.

2025 AUDITS

AUDIT REPORTS

HOTEL ROOM RENTAL TAX-HOMEWOOD SUITES

REPORT 25-29

Agreed Upon Procedure (AUP) for the calendar year 2024

Pursuant to Act 12 of 2025, section 1770.8 to the County Code, Lehigh County Ordinance #2005-180 and the Lehigh County Hotel Room Rental Tax Rules and Regulations effective September 4, 2005, the Chief Fiscal Officer, as the delegate for the County Executive, is responsible for the collection of the hotel room rental tax from each transaction of renting a room or rooms to accommodate temporary, not permanent residents. The Chief Fiscal Officer, along with “Authorized Agents”, will inspect records, conduct audits, gather facts for determinations and assist in investigations of non-compliance.

Purpose of Audit

Acting as an Authorized Agent for the Chief Fiscal Officer, the Controller’s Office uses agreed upon procedures to verify compliance with the County Rental Tax Rules and Regulations and identify underreported tax revenue with supporting determinations and assessments.

REPORT 25-30

CORONER

Financial for the calendar year 2024



The Lehigh County Coroner’s Office is an independent investigative agency staffed by highly trained personnel whose function is to investigate the facts and circumstances surrounding a death over which the Coroner has jurisdiction and to determine the Cause and Manner of Death.

Purpose of Audit

The controller’s office completed a financial audit of the Coroner’s office for the year of 2024. This audit was conducted in order to verify the accuracy of reported revenues and expenditures and evaluate internal control over Coroner Office financial transactions.

2025 AUDITS

AUDIT REPORTS

ADULT PROBATION-OFFENDER SUPERVISION FEE PROGRAM

REPORT 25-31

Compliance for the calendar year 2024

Pursuant to Act 35 of 1991, supervision fees were created in Pennsylvania to support judicial districts in the administration of adult probation services. Supervision fees are to be imposed in accelerated rehabilitative disposition, probation and/or parole sentences when an offender is under supervision of the county probation department. Beginning in January 2024 period, 100% of the Offender Supervision Program(OSP) payments were dispersed to the county. Prior to 2024, the payments were split 50/50 between the state and the county.

Purpose of Audit

The controller's office performed this audit to ensure compliance between the Adult Probation management and Act 35 of 1991 of the Pennsylvania Administrative Codes that are applicable to the collection of supervision fees for the year 2024.



2025 AUDITS

NON-AUDIT SERVICES/
SPECIAL REPORTS

NON-AUDIT SERVICE 25-01

OCYS ON-CALL SCHEDULING 2026

Paid Holidays in 2026

- New Year's Day
- Martin Luther King
Day
- Presidents Day
- Good Friday
- Memorial Day
- Juneteenth
- 4th of July
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Black Friday
- Christmas Day

As part of the employee benefit package when working for Lehigh County, you are paid for 12 holidays. There are, however, certain departments that need to have on call employees due to the nature of their position.

The Controller's Office used a software called Audit Command Language(ACL) to assist the Office of Children and Youth in creating an instant result on-call schedule by randomly assigning eligible employees to predetermined holidays scheduled in 2026. A primary and secondary employee was assigned for each holiday



SPECIAL REPORT 1

THE DOGE EFFECT

Lehigh County's Medical Dilemma: Nursing Homes and Disability Services at Risk

Let's start with the basics.

Medicaid, with a D, is for people with disabilities, very low income or long care needs. In Lehigh County, Medicaid does a lot of quiet work: it helps keep nursing home beds open, ensures disabled adults get the care they need, and ensures low-income families can see a doctor.

Here's what's new:

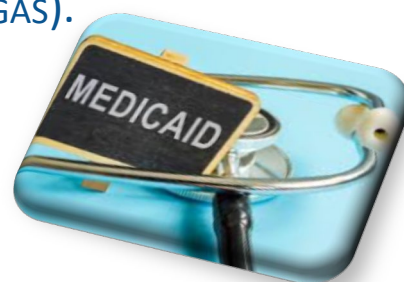
A federal budget resolution was passed by the U.S. House that instructed the Energy and Commerce Committee to identify \$880 billion in spending reductions over the next 10 years, with Medicaid being part of that. If the federal government cuts Medicaid, or even fails to adjust payments due to rising costs, Lehigh County could be forced into 3 choices:

1. Cut Services
2. Raise Property taxes by up to 18%
3. Pass the cost to families

This special report was produced by the Office of the Lehigh County Controller to assess the county's financial risks due to potential reductions in Medicaid funding. It draws on county-level budget data, federal law, and current Pennsylvania law to evaluate how national changes could impact Lehigh County citizens.

The report is a forward-looking, risk-based assessment prepared in accordance with the Controller's mandate to safeguard public funds and inform public debate. It offers a foundation for county leaders, residents, and state officials to deliberate thoughtfully, examine current structures, and consider where change may serve the public good.

The information in this document originates from the office of the Lehigh County Controller and does not represent an audit performed under the Generally Accepted Government Auditing Standards (GAGAS).



2025 AUDITS

NON-AUDIT SERVICES/ SPECIAL REPORTS

SPECIAL REPORT 2

A REVIEW OF GUARDIAN AD LITEMS IN LEHIGH COUNTY

The Guardian ad Litem (GAL) program in Lehigh County was established to protect the best interests of children in court proceedings-particularly in dependency cases involving abuse, neglect or unsafe living environments. This program is to ensure that children are not lost in the adversarial legal process and that decisions made on their behalf are informed, independent and child-centered. GAL'S are expected to engage in investigation of facts and allegations relevant to parenting capacity, household safety and the physical and emotional well-being of the child, conduct in-person interviews, perform home visits, assess key areas of the child's life and submit written reports with detailed recommendations to the court, supported by findings from their investigation. These reports can significantly influence custody outcomes, placement decisions and access to services.



This special report focused on the GAL program in Lehigh County-examining how the lack of clear standards, documentation and independent oversight affects legal obligations, service, consistency and public trust in child welfare proceedings.



2025 AUDITS

NON-AUDIT SERVICES/ SPECIAL REPORTS

CEDARBROOK NURSING HOME PROJECT

Cedarbrook Nursing Home is one of only seventeen County Nursing Homes in Pennsylvania and continues to provide quality services at the highest five-star rating. Significant capital improvements have been underway for several years, however challenges due to soil condition, climate impact, Covid-related and contractor related timing and performance delays have affected the cost and project scheduling. The Controller's Office will continue to monitor the financial activity and compliance to established administrative requirements and report to the taxpayers the status of the project, with an estimated completion of Fall 2026.



STRUCTURAL DEFICIT

Lehigh County is currently facing a structural deficit of nearly four million dollars. Healthcare represents one area that could be examined for potential cost reductions. The Controller's Office has recommended that the Board look into options such as Reference-Based Pricing, Direct Contracting, and Cash Pricing to yield cost savings. Two providers were contacted and feel, that with actual claims data, significant savings could be achieved.

AMERICANS WITH DISABILITIES ACT MANDATE

There is a growing trend of digital accessibility lawsuits and enforcement actions impacting public-sector entities. For example, over 1,100 web accessibility lawsuits [2] were filed in the first quarter of 2024 alone, and plaintiffs are increasingly holding government organizations accountable for their actions.

ADA Title II web accessibility rule—published in the Federal Register on April 24 2024 (28 CFR Part 35, Docket CRT-132) [1] —requires jurisdictions serving 50,000 + residents to meet WCAG 2.1 AA [3] for all websites and mobile apps by April 24 2026.

Based on an initial review by TPGi (The Paciello Group Interactive), areas were identified on the County Website that warrant further investigation in order to be compliant.

The Controller’s Office recommended 8 steps that will position itself to meet the ADA Title II web accessibility mandate on time and avoid the pitfalls of litigation that others have faced. More importantly, the County will ensure that all residents, including those with disabilities, can equally access information such as election details, public health updates, services, and civic resources on its website.



RANDOM CASH COUNTS

The office of the controller also performs random, unannounced cash counts of offices that maintain a change fund or petty cash fund. Every office that handles cash and cash equivalents (gift cards, bus passes, etc.) is subject to random cash counts.



ETHICS HOTLINE

Confidential,
Independent, Integrity
in Government
(610) 782-3999
Report online or obtain
printable forms online:
[www.lehighcounty.org/
Controller](http://www.lehighcounty.org/Controller)



LEHIGH COUNTY PENSION BOARD

The Controller, Mark Pinsley, serves as Secretary of the Lehigh County Pension Board.



REPORT FRAUD, WASTE & ABUSE

The Ethics Hotline is a confidential message system available to employees and the general public to report suspected fraud, waste, and abuse. An annual activity report is issued to the Board of Commissioners in accordance with Ordinance 1993-130 which summarizes the calendar year's activity. The ethics hotline activity for 2023 was released under report #24-01 on January 8th, 2024. The ethics hotline continues to be a valuable tool for employees and the public to report suspected improprieties. This report also includes all reports received per Administrative Notice 2001-4, "Supervisor's Report of Lost or Stolen Property".

BID CONTROL

The controller's office receives and secures advertised bids and requests for proposals issued by the office of procurement. We are tasked with opening bids and monitor bid tabulation.



Lost, Missing, Stolen Property Reporting Liaison

County Officials' Bonds Depository

Review of Bureau of Collections Check Disbursements

Review of Work Release Check Disbursements

Review of Cedarbrook RFMS Checks

Monitor Check Sequences for Health Choices Checks, Worker's Compensation

Audit Planning—County-Wide Risk Assessment

County Pension Policy Issues

Observation of County Sheriff Sales, Tax Claim Bureau Upset & Judicial Sales

Assisted Zelenkofske Axelrod (external auditors) with the 2024 year-end financial audit

County Campaign Finance Reform (anti-pay-to-play compliance)

CONTACT INFORMATION

GENERAL OFFICE
(610) 782-3082

NAME	TITLE	PHONE	E-MAIL
Mark Pinsley	Controller	(610) 782-3178	MarkPinsley@lehighcounty.org
Sherry Fels	Assistant Operations Manager	(610) 782-3082	SherryFels@lehighcounty.org
John Falk	Retired Deputy Controller	(610) 782-3083	JohnFalk@lehighcounty.org
Nanton P. John	Deputy Controller	(610) 782-3438	NantonJohn@lehighcounty.org
Joseph Buick	Assistant Deputy Controller	(610) 782-3912	JosephBuick@lehighcounty.org
Allan Vavra	Senior Auditor	(610) 782-3931	AllanVavra@lehighcounty.org
Michelle Hooper	Associate Auditor	(610) 782-3915	MichelleHooper@lehighcounty.org
Nam Tran	Auditor	(610) 782-3914	NamTran@lehighcounty.org
Daniel Aquilino	Auditor	(610) 782-3084	DanielAquilino@lehighcounty.org

PROFESSIONAL INVOLVEMENT

STAFF MEMBERS BELONG TO MANY PROFESSIONAL ORGANIZATIONS

American Institute of Certified Public Accountants
Association of Certified Fraud Examiners, Lehigh Valley Chapter (Board Member, Vice-President)
The Institute of Internal Auditors, Lehigh Valley Chapter (President, Board Member)
Association of Local Government Auditors
Pennsylvania Institute of Certified Public Accountants
Pennsylvania State Association of County Controllers
Association of International Certified Professional Accountants
The Government Finance Officers Association
AGA – Advance, Grow, Accelerate (Association of Government Accountants)
Information Systems Audit and Control Association

THE CONTROLLER’S OFFICE ACTIVELY VOLUNTEERS AND CONTRIBUTES TO MEMBER ORGANIZATIONS INCLUDING:

Monthly Bank Reconciliations (IIA)
Annual Audit (IIA)
Fall Seminar Coordinator (IIA)
Peer Review Training (ALGA)
Peer Review Team Member (ALGA)
Annual Join County Controller’s Seminar (hosted by Lehigh and Northampton)

Staff members are continuously seeking additional training and certifications. Congratulations to Nanton John on acquiring the Certified Internal Auditor (CIA) designation, and Michelle Hooper on acquiring the Certified Fraud Examiner (CFE) certification in 2025!

USEFUL INFORMATION

Learn more about the County of Lehigh

<https://www.lehighcounty.org>

Lehigh County Human Services related information

www.lehighcounty.org/Departments/Human-Services/Information-Referral

Does the Pennsylvania Treasury owe you money?

www.patreasury.gov/unclaimed-property

Check out what the Lehigh Valley has to offer

<https://www.lehighcounty.org/home/about-us>

Identity Theft information

www.consumer.ftc.gov/features/feature-0014-identity-theft

Pay Real Estate taxes

<https://www.lehighcounty.org/Departments/Fiscal-Tax-Claims>

Report Fraud, Waste, & Abuse in Lehigh County

Call the Ethics Hotline: (610) 782-3999

Submit an online report: www.lehighcounty.org/Departments/Controller/Fraud-Waste-and-Abuse-Reporting

Vote by mail

www.pavoterservices.pa.gov/OnlineAbsenteeApplication/#/OnlineAbsenteeBegin

Obtaining a concealed carry license

www.lehighcounty.org/Departments/Concealed-Carry-Permit

ACFE(Association of Certified Fraud Examiners)

<https://www.acfe.com/>

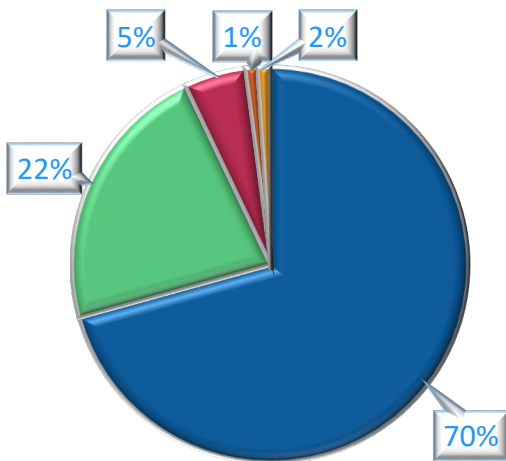
IIA (Institute of Internal Auditors)

<https://www.theiia.org/>

2025 LEHIGH COUNTY REVENUES AND EXPENDITURES

2025 Adopted Budget Revenues

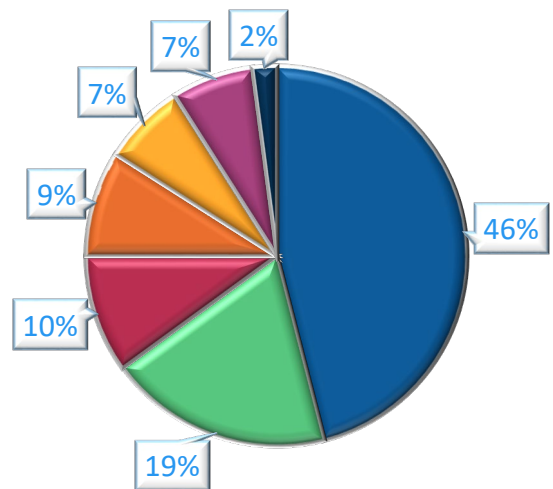
\$534,036,884



- Grants & Reimbursements
- Taxes
- Departmental Earnings
- Judicial Costs & Fines
- Other Revenues & Reserves

2025 Adopted Budget Expenditures

\$550,922,688



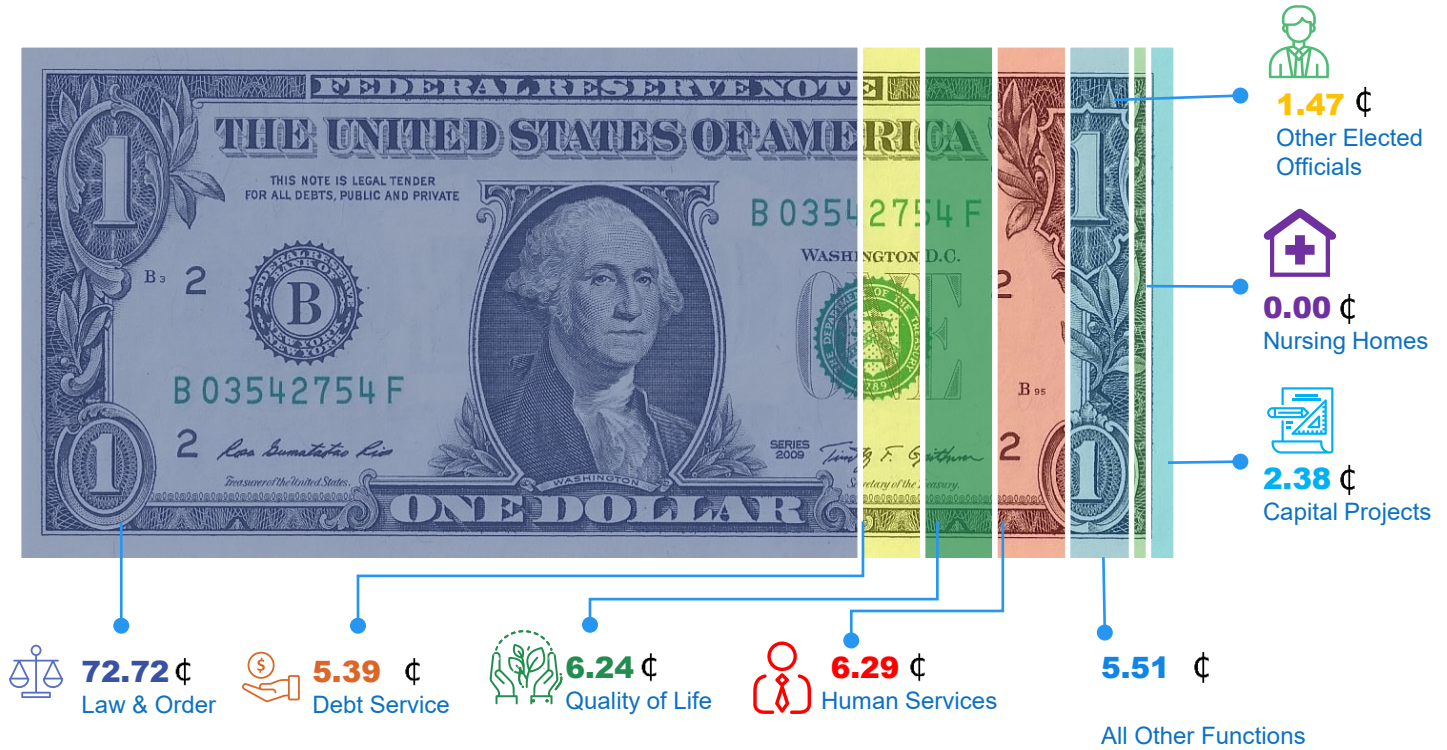
- Human Services
- Nursing Homes
- Administration & Gen Services
- General Government
- Corrections
- Courts
- Debt Service

2025 Lehigh County Budget

Revenues above include \$119.6 million in county real estate taxes. A detailed allocation of how each \$1 tax dollar is spent on the following page. The remaining sources of income are derived from grants and reimbursements, state pass-through funds, departmental revenues, and judicial costs and fines. The top three areas of expenditures in the 2025 Lehigh County Adopted budget include Human Services, Nursing Homes, and Administration & General Services.

2025 Lehigh County Taxes in Context

NOTE: This graphic details how each \$1 of real estate tax dollars are spent.



Source: 2025 Lehigh County Adopted Budget

