



# Office Of The Controller

*Serving the Taxpayers of the County of Lehigh*

## 2023 Annual Report

Prepared by Michelle Hobel

**MARK PINSLEY**  
County Controller

## 2023 Annual Report Table of Contents

### Pages

<b>1</b>	Note from Controller
<b>2</b>	Mission Statement
<b>3</b>	Staff Credentials and Certifications
<b>4</b>	Auditing Standards
<b>5</b>	Introduction- You're Going to be Audited
<b>6</b>	Risk-Based Auditing- Classification of Audits
<b>7</b>	Quality Control Peer Review
<b>8</b>	Audit Effectiveness Questionnaire
<b>9</b>	2023 Audit Hours
<b>10</b>	Desk Audits
<b>11-22</b>	Highlights- 2023 Audits
<b>23-24</b>	Non-Audit Services
<b>25-26</b>	Other Duties and Responsibilities
<b>27</b>	Controller's Office Contact Information
<b>28</b>	Professional Involvement
<b>29</b>	Useful Information
<b>30-31</b>	2023 Lehigh County Adopted Budget Details



**MARK PINSLEY**  
County Controller

The 2023 Annual Report provides an overview of the activities and audits undertaken by the Controller’s Office in 2023. The report details among other things the level of audit satisfaction and effectiveness as reported by those audited, a comprehensive breakdown of county functions audited and a detailed list of each audit performed. The Controller’s Office is tasked with being a fiscal watchdog, committed to protecting taxpayer dollars and looking for potential improvements in county departments and enforcing the county’s campaign finance reform legislation. The Annual Report provides you with a high degree of accountability as taxpayers, allowing you to verify our efforts as auditors. The 2023 Audit portion of this report details each of the audits conducted and the purpose behind each audit. During 2023, the Controller’s Office improved our Ethics Hotline reporting mechanisms, by creating a “Fraud, Waste, and Abuse Reporting” page on the Controller’s website, which adds an on-line reporting and email form of communication. Our annual report also includes valuable financial resources for Lehigh County residents including how to pay your real estate taxes.

# Mission Statement



Office Of The Controller



## The mission of the office of the controller, Lehigh County, Pennsylvania is to:



Examine the property of internal control



Assess compliance with statutory requirements



Evaluate operating procedures



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

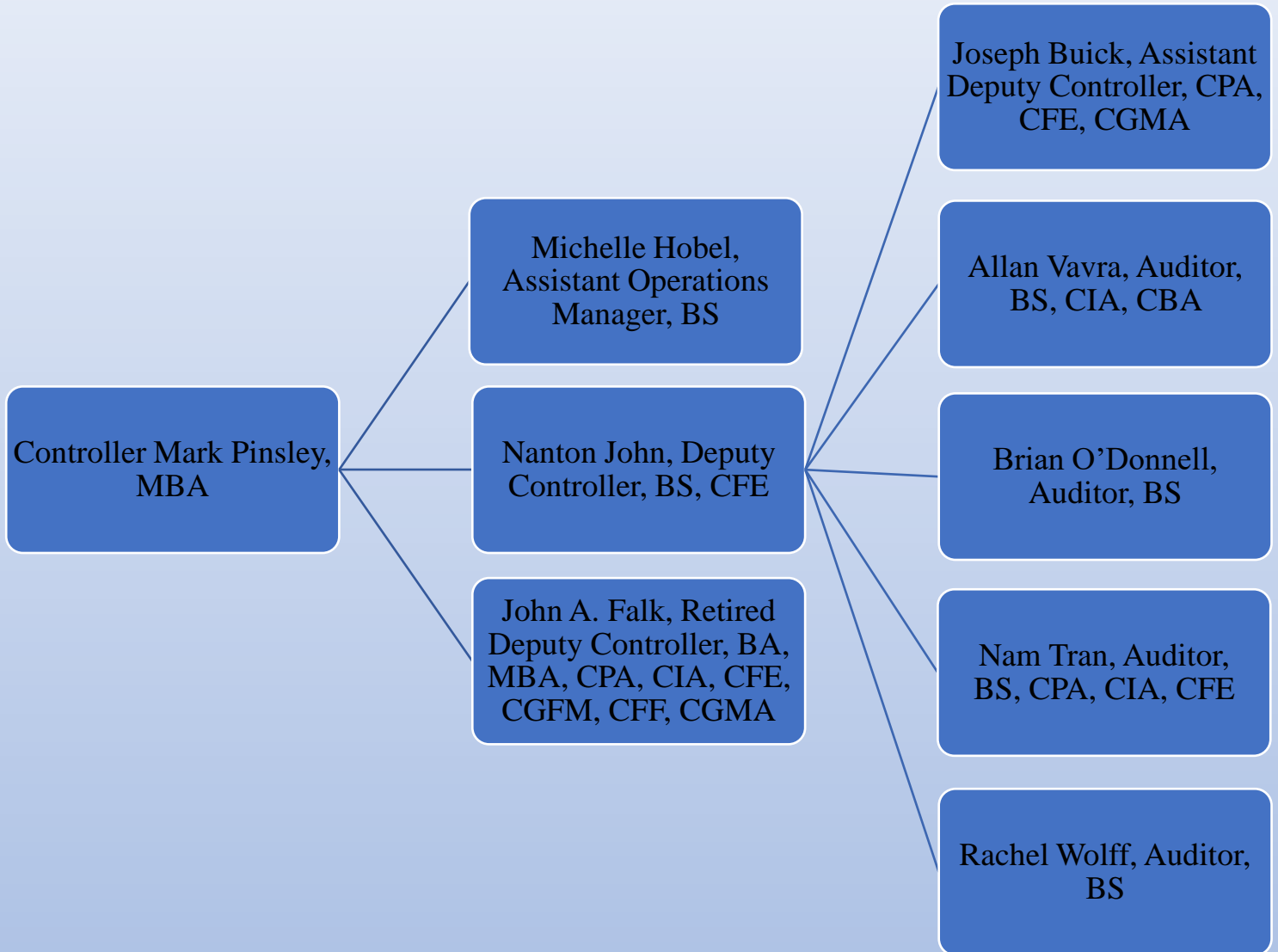
The Controller is an independent elected official, who is legislatively empowered by § 503 of the Lehigh County Home Rule Charter, and § 502 of the Lehigh County Administrative Code, to examine records, files, and procedures pertaining to the receipt and expenditures of County funds.

The Controller's Office conducts assessments of management performance and program results of any county department or agency to evaluate the efficiency and economy of the agency's or department's use of taxpayer funds.

# 2023 Staff Credentials and Certifications



Office Of The Controller



**MBA - Masters in Business Administration**  
**CGMA – Charter Global Management Accountant**  
**CFF – Certified in Financial Forensics**  
**CGFM - Certified Governmental Financial Manager**  
**BBA – Bachelor of Business Administration**  
**MS – Masters of Science (Accounting)**

**CPA – Certified Public Accountant**  
**CIA - Certified Internal Auditor**  
**CFE - Certified Fraud Examiner**  
**CBA – Certified Bank Auditor**  
**BS - Bachelor of Science**  
**BA - Bachelor of Arts**

# Auditing Standards

The office of the controller performs an internal auditing function. Internal auditing is an independent appraisal function established within an organization to examine and evaluate the activities of the organization. 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 and performance audits. Professional standards are also promulgated by the American Institute of Certified Public Accountants and several other authoritative accounting & auditing organizations.

Compliance to the **Government Auditing Standards** include minimum continuing professional education requirements for the staff and management of the office of the controller.

The **Government Auditing Standards** require 80 hours every two years with 24 hours in government - related courses. Certified public accountants are subject to the AICPA required 120 hours every three years (minimum 20 hours per year) and the PICPA requirement of 80 hours every two years. 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.



# Introduction

## What is an Audit?

An internal audit involves reviewing county operations and procedures, office transactions or financial activities which is typically done by looking at cash receipts, disbursements (money allocated and spent by a department) or changes in fund balances (the individual financial accounts run by the county, i.e. general fund).

Audits are governed by professional associations of industry professions who set guidelines for how to properly conduct an audit. These organizations include the Government Auditing Standards Board (GASB), American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditors (IIA).

There are four types of audits typically conducted: financial, performance, compliance, and attestation-agreed upon procedures. The first three types of audits are conducted to ensure that county offices' financial activities are fairly stated, their programs are having the intended results and are operating effectively, and to ensure that proper internal controls are in place. An agreed upon procedure engagement can be requested by departments, officials or members of the public. These audits do not produce findings and recommendations, but provide answers to specific questions made by the requesting party.

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

In addition, the Controller's Office now produces special reports and essays as non-audit services which are not conducted in accordance with governmental auditing standards, as they are not actual audits. They are reviewed by audit staff for accuracy and precision.

## Who are the Auditors?

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 and Certified Fraud Examiner.

## 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 and 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 at:

<https://www.lehighcounty.org/Departments/Controller/Reports-Reviews>

## Audit Plans are Based on Risk Assessment.

All county activities are subject to audit. Generally, we select audits based upon 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.



## Classification of Audits:

We classify our audit population into three categories:



- Many class one audits are audits we have to do because of a statutory requirement (county or state.) Class one 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 drug forfeiture report .



- Class two audits are discretionary and are scheduled based on individual priority and staff time availability. The population of class two audits is a dynamic and evolving list to be expanded as we identify changing risk factors and additional audit areas. 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.



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





# 2021 Association of Local Government Auditors Peer Review

The Association of Local Government Auditors developed the Peer Review Process in 1991 to ensure that local government auditors were operating consistent with the established standards of their industry. The Yellow Book, government auditing standards are published by the Government Accountability Office to create best practices and unified guidelines for conducting government audits.

ALGA conducts a peer review every three years to determine whether the government auditing divisions' quality control system is in compliance with Government Auditing standards. A team of auditors selects random audits conducted over the three year time period and reviews them to assess quality of the audit, use of proper internal controls and maintaining compliance with the GAO's best practices.

Lehigh County Controller's Office once again received a pass rating from the review team, and was awarded a certificate of compliance on December 9, 2021 for reports issued during the period July 1, 2018 to June 30, 2021. 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 Association of Local Government Auditors  
Awards this

## *Certificate of Compliance* to *Lehigh County Office of the Controller*

Recognizing that the organization's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audit and attestation engagements during the period July 1, 2018 through June 30, 2021.

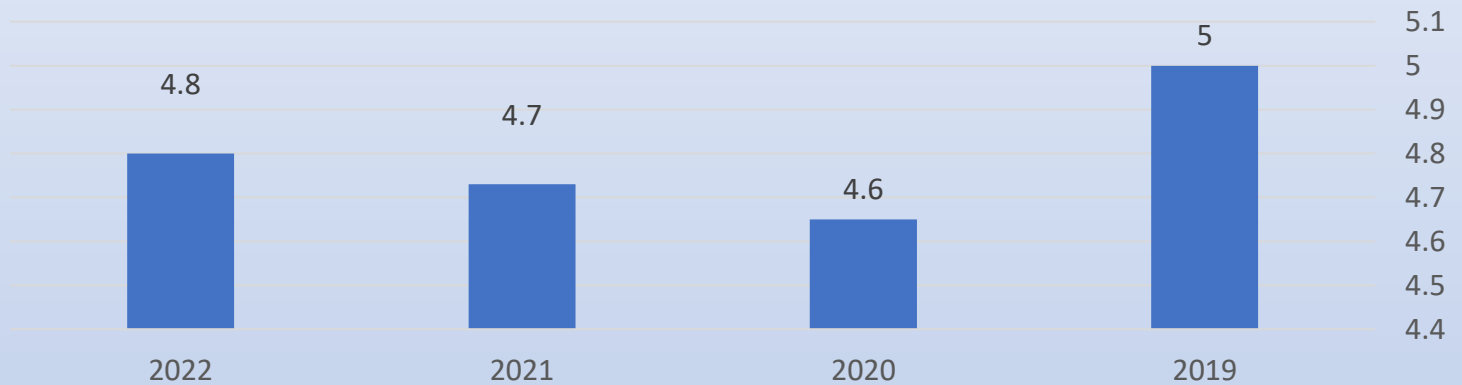
*Stan Sewell*

Stan Sewell  
ALGA Peer Review Committee Chair

# Audit Effectiveness Questionnaire

Beginning in late 1998, the office of the controller sent an audit effectiveness questionnaire to the audited management 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.

The average of the responses received rated our performance as 4.8 in 2023. The following are the ratings for the four years prior:



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

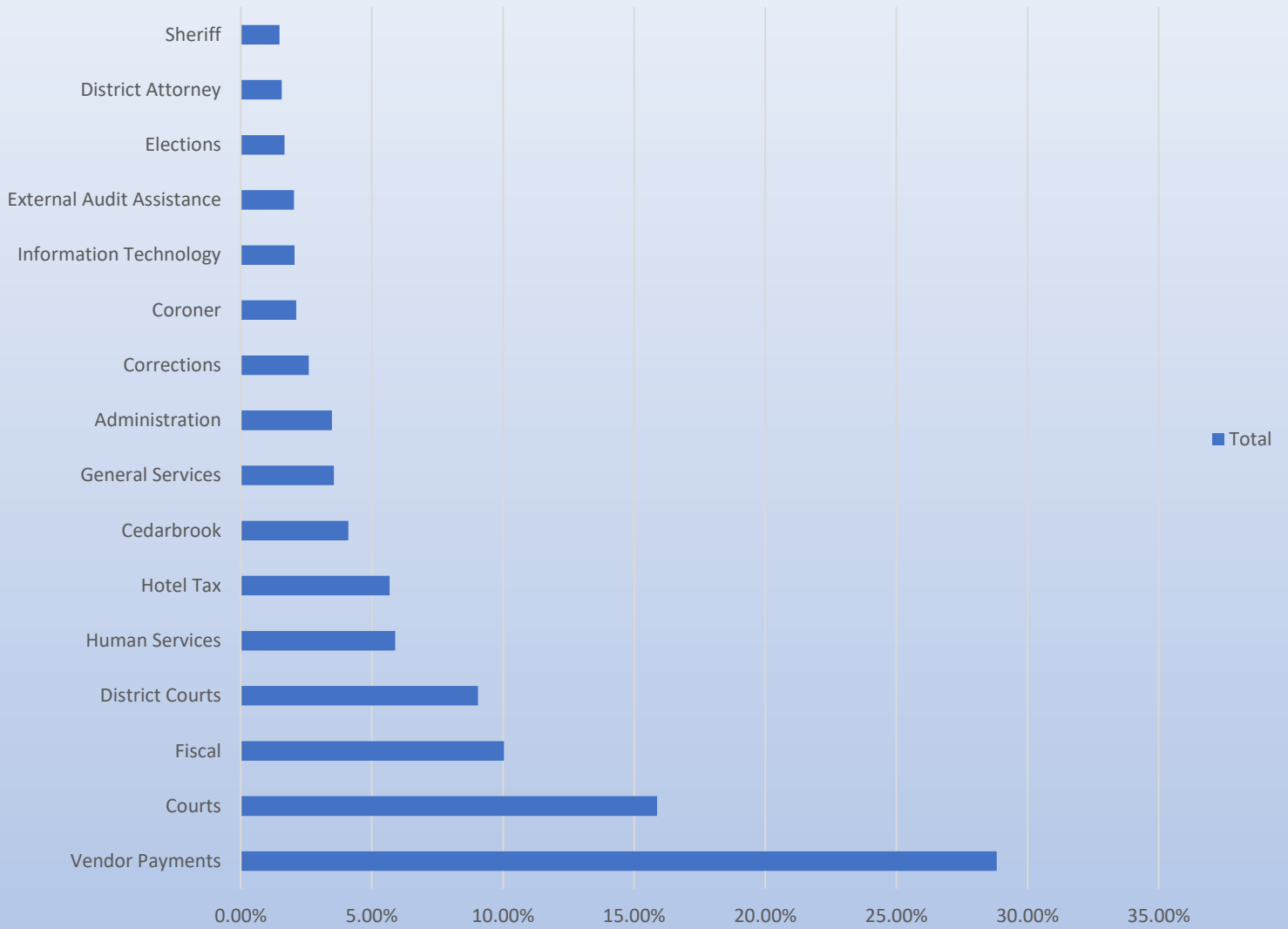


The questionnaire is helpful to gauge the effectiveness of our audits and the degree of customer satisfaction. The input received helps us in the planning and performance of future audits.

**We thank all who took the time to respond to the questionnaire.**

# 2023 Audit Hours

## Summary of Hours by %



# Desk “Audits” Our “Early Warning” System

## What is a Desk Audit?

A desk audit is not really an audit at all. It is a spot check clerical review of monthly reports which acts as an early warning system intended to provide ongoing oversight for cash handling offices. If anything unusual is noted during a desk audit, the auditors look into the matter immediately. These monthly clerical reviews serve to highlight any unusual situation in a timely manner that requires our attention. Ultimately, full financial or performance audits are performed based on our risk assessment on a cyclical basis.

## 2023 Desk Audits:

**Row Offices** – Monthly desk audits of row office reports for the period January, 2023 through December, 2023 (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, 2023 through December, 2023 (*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; and 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; and to verify monthly bank account reconciliations.

Copies of the completed audit reports are available on the Lehigh County website under the Office of the Controller or call our office at 610-782-3082. All audits, unless otherwise noted in the audit, are conducted in accordance with governmental auditing standards issued by the Comptroller of the United States.

## Areas of Audits

- **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.
- **Agreed Upon Procedures:** These audits are conducted at the request of the entity being audited, and result in recommendations for internal improvements and procedural changes.
- **Non-Audit Service/ Special Report:** These special reports make policy recommendations to county officials, but are not conducted under government auditing standards. The recommendations and documentation are reviewed by audit staff.

## REPORT FRAUD, WASTE & ABUSE



- Ethics Hotline Voicemail: 610-782-3999
- Report online:  
[www.lehighcounty.org/Controller](http://www.lehighcounty.org/Controller)
- Printable Forms can be accessed online:  
[www.lehighcounty.org/Controller](http://www.lehighcounty.org/Controller)

## Purpose of Audit

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 2022 was released under report #23-01 on January 4<sup>h</sup>, 2023.

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".

## 2023 Audit Reports



### **Ethics Hotline Activity for the Year 2022 - Report # 23-01**

*Compliance – For the Calendar Year 2022*

#### **Purpose of Audit**

The Lehigh County Controller's Office operates an ethics hotline which allows for the reporting of suspected fraudulent or illegal activity. The annual audit is a review and aggregation of all ethics hotline calls made in the previous year.



### **General Election 2022– Report # 23-04**

*Compliance– For the Calendar Year Ending December 31st, 2022*

The Office of Fiscal Affairs is responsible for the preparation of vendor payments as described in the County of Lehigh Home Rule Charter and Administrative Code (as amended). Poll workers are paid via debit cards as of the 2022 Elections.

#### **Purpose of Audit**

The Controller's Office audited county disbursements and reviewed 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.

## 2023 Audit Reports Continued



### **Imprest Funds 2022– Report # 23-05**

*Compliance– For the Calendar Year Ending December 31st, 2022*

Imprest Funds or petty cash are small cash accounts maintained by the Office of Fiscal Affairs on behalf of various Lehigh County offices. These funds are needed for offices to conduct their routine business.

#### **Purpose of Audit**

The Controller’s Office conducted unannounced cash equivalent counts at all known county departments who maintain imprest funds, to ensure funds are intact and adequately secured, and to review cash handling procedures with staff. The Office of Fiscal Affairs is responsible for the preparation of imprest funds as described in the County of Lehigh Home Rule Charter and Administrative Code.



### **Kleckner Memorial Fund – Report # 23-06**

*Agreed Upon Procedures Audit (AUP) for years 2019, 2020, & 2021*

#### **Purpose of Audit**

The William H. and John R. Kleckner Memorial Fund was established under the Will of William H. Kleckner in memory of him and his brother, John R. Kleckner. By its *Adjudication* entered on March 9, 2004, the Court: removed the County of Lehigh as the Trustee and appointed both a corporate fiduciary and the acting Director of the Department of Human Services of the County of Lehigh as successor Co-Trustees; directed that the annual net income be distributed to the Lehigh County Office of Aging to provide transportation to its senior centers, community outreach services, and wellness and nutritional education services and programs; and, prohibited distributions of principal without prior court approval. The objective of this engagement was to ensure that County records accurately reflect the balance and distributions of the fund, and the Lehigh County Office of Aging’s use of funds were appropriate per the Court.

## 2023 Audit Reports Continued



### **Aging and Adult Services' Representative Payee Accounts – Report # 23-07**

*Financial – For the Year Ended December 31<sup>st</sup>, 2021*

The Lehigh County Office of Aging and Adult Services serves as a representative payee organization, which is appointed by the Social Security Administration for someone who cannot manage his or her money. The main responsibility, primarily directed and monitored by county caseworkers, is to assist in the financial matters of the clients. Management maintains a detailed, financial recordkeeping system and makes required, periodic reports to the Social Security Administration. The Controller's Office audited the financial records of this particular function of the department, and reviewed the adequacy of internal and administrative control over cash receipts and disbursements.



### **Cedar Brook Nursing Home Fund – Report # 23-08**

*Financial – For the Tax Year Ending December 31<sup>st</sup>, 2021*

#### **Purpose of Audit**

The County of Lehigh owns and operates two senior care and rehabilitation centers (Allentown and Fountain Hill). The Nursing Home Fund audit is designed to review the fair representation of the financial statements and the adequacy of internal controls over financial reporting. We expanded the scope of our testing to include private pay and patient liability accounts receivable activity and bad debt write-offs in the Cedarbrook Fund.

### **Brookview Independent Living – Report # 23-09**

*Financial – For the Tax Year Ending December 31<sup>st</sup>, 2021*

#### **Purpose of Audit**

The County of Lehigh owns 42 apartments as an independent living facility, which are located at the Cedarbrook Allentown campus. We have audited the Statements of Receipts and Disbursements and Changes in Cash Balance of the facility for the period January 1, 2021 to December 31, 2021 and the related notes to the Schedules.



## 2023 Audit Reports Continued



### Special Grants Program – Report # 23-10

*Agreed Upon Procedure Audit for calendar year ending December 31, 2021*

#### Purpose of Audit

The County of Lehigh allocated funds in the 2021 County Budget and through the American Rescue Fund to establish a Special Grants Program consisting of a Homelessness Prevention Grant Program, a Returning Citizens Reentry Services Grant Program, and a Youth Violence Prevention Grant Program. These Special Grant Programs were approved by the Lehigh County Board of Commissioners under Ordinances 2021-118, 2021-119, 2021-120, and 2021-122.

The Controller's Office conducted this engagement on behalf of the Department of Community and Economic Development, to verify the accuracy of payments to recipients, verify that satisfactory expense documentation was received from grantees, and verify that the grant objectives were achieved per the guidelines set forth in the grant agreements.



### Department of Corrections Inmate Accounts – Report # 23-11

*Financial – For the Tax Year Ending December 31<sup>st</sup>, 2021*

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

The Controller's Office audit evaluates whether the Department of Corrections' financials are fairly stated, and the department has proper internal control mechanisms for inmate ledgers and reconciliations to ending fund balances.

## 2023 Audit Reports Continued



### **Lehigh County Real Estate Tax Collections – Report # 23-12**

*Financial – For the Tax Year Ending December 31<sup>st</sup>, 2022*

Lehigh County's primary source of revenue is property taxes. In the year 2022, Lehigh County collected \$116,737,275 in real estate taxes.

#### **Purpose of Audit**

The Controller's Office determined the sufficiency of the Fiscal Office's internal controls over real estate tax collection and identified any potential deficiencies. The office reviews total amount billed, total tax collected, total outstanding payments turned over to the tax claim bureau, and any potential tax breaks available to property owners such as Act 319.



### **IT Inventory – Report # 23-13**

*Compliance – For the Tax Year Ending December 31<sup>st</sup>, 2022*

#### **Purpose of Audit**

We have audited the Office of Information Technology's compliance with Administrative Code 2019-01. Our audit testing was based on the County computer equipment inventory listing as of August 1, 2022



### **Pension Payments Processing – Report # 23-14**

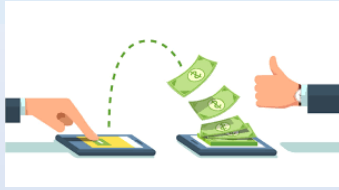
*Compliance – For the Tax Year Ending December 31<sup>st</sup>, 2022*

In 2022, Lehigh County issued 23,029 pension payments for a total of \$42.5 million.

#### **Purpose of Audit**

The Controller's Office audits county disbursements and reviews warrants for expenditure of county monies in accordance with Sections 503 of the Home Rule Charter and 502 of the Administrative Code. The Fiscal Office is responsible for the disbursement of pension payments in compliance with the County of Lehigh Home Rule Charter and Administrative Code, and the County Pension Law-PA State Act No. 96 of 1971.

## 2023 Audit Reports Continued



### **Vendor Payments – Report # 23-15**

*Compliance– For the Tax Year Ending December 31<sup>st</sup>, 2022*

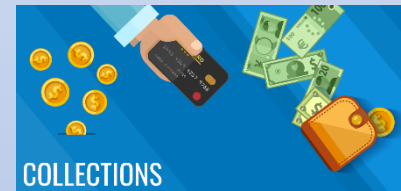
In 2022, 26,000 payments were issued totaling \$265 million by the Office of Fiscal Affairs.

#### **Purpose of Audit**

The Controller’s Office audited the Office of Fiscal Affairs management’s compliance with the County of Lehigh Home Rule Charter and Administrative Code ( as amended) requirements for vendor payments, and validated compliance with the submission of required campaign finance forms for applicable contracts in accordance with the County of Lehigh Administrative Code, for the calendar year 2022.

### **Bureau of Collections – Report # 23-16**

*Financial– For the Tax Year Ending December 31<sup>st</sup>, 2022*



#### **Purpose of Audit**

The Bureau of Collections is responsible for the collection of criminal court costs, fines, restitution and prison room and board. The bureau also collects state fines and fees that are sent to the County’s Fiscal Office for transmittal to the state revenue departments. The Controller’s Office has audited receipts and disbursements of the Bureau of Collections for the year ended December 31, 2022.



### **2023 Primary Election – Report # 23-17**

*Compliance – election payments for the Primary Election on May 16, 2023.*

The Office of Fiscal Affairs is responsible for the disbursement of vendor payments as described in the County of Lehigh Home Rule Charter and Administrative Code. Poll workers are paid via debit cards as of the 2022 Elections.

#### **Purpose of Audit**

The Office of the Controller audited county disbursements and reviewed 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.

## 2023 Audit Reports Continued



### Year End Payroll – Report # 23-18

*Performance Audit- For Calendar Year Ending December 31<sup>st</sup>, 2022*

In 2022, the County of Lehigh, paid approximately \$113 million in regular payroll of which \$5.8 million was overtime wages (4.8% increase from 2021). However, total regular wage payments decreased by approximately \$3 million in comparison to 2021.

#### Purpose Of Audit

The Controller's Office reviews biweekly payroll, and evaluates annual payroll to determine potential inefficiencies, identify areas of improvement, and report on compliance with applicable federal and state regulations, state unemployment compensation laws, and the County of Lehigh personnel policies and procedures manual. Audit criteria and standards included compliance with County of Lehigh Personnel Policies and Procedures as established by the Department of Administration and approved by the Board of Commissioners.



### Tax Delinquency and Paid Rent Provisions # 23-19

*Financial Audit- For Calendar Year Ending December 31<sup>st</sup>, 2022*

#### Purpose Of Audit

The Controller's Office ensured compliance with the requirements of Section 801.2 of the County of Lehigh Administrative Code. The County shall not contract with a vendor who is delinquent on any taxes due to the County; the County shall withhold payments to such vendor until the delinquent taxes are paid in full; the Department of Administration shall notify the Board of Commissioners within 60 days of the end of the fiscal year of the names of tax delinquent vendors; the County shall not contract with a vendor who also leases County property if any rent currently due is unpaid. In accordance with Section 801.4, the County Controller shall audit this policy for compliance on an annual basis.

## 2023 Audit Reports Continued



### **Controlled Substance Forfeiture – Report # 23-20**

*Agreed Upon Procedures Audit For the Period July 1, 2022 to June 30, 2023*

#### **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.



### **Adult Probation Offender Supervision Fee – Report # 23-22**

*Compliance Audit of Act 35 of 1991 and Act 77 of 2022*

Pursuant to Act 35 of 1991, supervision fees were created to assist with the administration of adult probation services. These fees are divided equally between the collecting county and the Pennsylvania Board of Probation and Parole.

#### **Purpose of Audit**

The Controller's Office evaluates the Adult Probation's compliance with Act 35 of 1991 of the Pennsylvania Administrative Code, applicable to the collection of supervision fees.

## 2023 Audit Reports Continued



### **Domestic Relations Section – Report # 23-27**

*Financial Audit- Years Ending December 31<sup>st</sup>, 2021 and 2022*

#### **Purpose Of Audit**

The Lehigh County Domestic Relations Section provides services to dependent children and spouses through establishment of paternity, establishment of support orders, and enforcement of support orders. The Domestic Relations Section provides all services in compliance with Federal, State, and local laws, and local Rules of Court. The Controller's Office reviewed funds maintained by the Domestic Relations Section to verify accurate and proper accounting procedures and to ensure that ledgers accurately reflected the financial activity of receipts and disbursements.

### **Cellular Devices – Report # 23-31**

*Performance Audit- 1/1/2023-6/30/2023*



#### **Purpose of Audit**

Our office performed this audit at this time based on our evaluation of county-wide risk assessment. The cellular device audit objectives included an evaluation of the effectiveness of the *county-wide* cellular device policy; confirmation that cellular devices are assigned to active employees; validate existence of the cellular devices; review for excessive or little to no usage of cellular devices; evaluate the effectiveness and efficiency of department controls over the management of assigned devices; and evaluate the adequacy of controls over the purchasing, disconnecting and disposal of devices.

### **Clerk of Judicial Records Criminal Division – Report # 23-33**

*Financial Audit- Years Ending December 31<sup>st</sup>, 2021 and 2022*

#### **Purpose of Audit**

The Criminal Division maintains all criminal related Court records. The Controller's Office reviewed reported revenues and expenditures and evaluated internal control over criminal division's financial activity.

## 2023 Audit Reports Continued



### Audits of Magisterial District Judge Offices

*Report # 23-02 Magisterial District Judge Office 31-1-04*

*Report # 23-21 Magisterial District Judge Office 31-2-03 (closeout audit)*

### Magisterial District Court Audit Summary– Report # 23-03

*Financial – For the Calendar Years 2020 and 2021*

#### **Purpose Of Audits**

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. This report summarized the financial activity of all 14 Magisterial District Courts in Lehigh County which were individually audited.

## 2023 Audit Reports Continued



### **Hotel Room Rental Tax**

*Agree Upon Procedures Audit (AUP) for calendar year 2022*

- Report # 23-23 Allenwood Motel*
- Report # 23-24 Holiday Inn Express*
- Report # 23-25 Holiday Inn*
- Report # 23-26 Howard Johnson*
- Report # 23-28 Super 8*
- Report # 23-29 Woodspring Suites*
- Report # 23-30 Parkview Inn*
- Report # 23-32 Hyatt Place*

### **Purpose Of Audits**

Pursuant to Act 12 of 2005, 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, a four percent hotel room rental tax shall be collected and remitted to the Lehigh County fiscal officer. We have performed certain procedures, as agreed upon by Lehigh County fiscal officer, solely to assist in determining the accuracy of hotel room rental tax remittances.



## Non-Audit Service/ Special Reports



### The Cost of Misdiagnosis – Report # 23-1

#### Purpose Of Service

An analysis uncovered alarming statistics that the Northeast region of Pennsylvania diagnoses 40% of the state’s Munchausen syndrome by proxy cases (MSBP) (used to signify medical child abuse(MCA)), despite having just 14% of the under-18 population. This disproportionate rate points to potential systemic overdiagnosis of this rare disorder.

Once accused of child abuse MSBP or other types, the process offers little recourse for parents to defend themselves. An “indicated” finding based on minimal evidence instantly labels caregivers as child abusers without any trial or a chance to defend themselves. This can cause an individual to lose their job or make it more difficult to find employment. It is only much later, when parents are able to present evidence to a judge, that 90% of these independent appeals boards reject these findings. This means the “indicated” status is removed 90% of the time.

To give you an idea of the scale, consider Lehigh County. Between 2017 and 2021, over 886 people were added to the Pennsylvania child abuse registry. Childline listed these families without giving them a chance to present their side of the story and without a judge or a jury involved. Now, if all of these families had the resources—time, energy, and money—to challenge the accusations based on the current 90% overturn rate, this could mean that Childline wrongly labeled 797 caregivers as child abusers.

This controller’s report emphasized the need for systemic reforms. If there is a misdiagnosis, it can inflict a financial burden on the taxpayers of Lehigh County. These costs include casework, foster care, kinship care, solicitors, parental programs, defending lawsuits, and more. It is crucial to address these concerns to ensure the efficient allocation of resources.

The facts uncovered warrant immediate action locally and statewide.

This is a Viewpoint paper and as such 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).

## Non-Audit Service/ Special Reports



### Office of Children & Youth On-Call Scheduling - Report # 23-02

#### Purpose Of Service

We have completed a Non-Audit service arrangement with the Office of Children & Youth (OCYS) for the upcoming year 2024. The purpose of this arrangement was to assist in creating an on-call schedule by randomly assigning eligible employees to predetermined holidays scheduled in 2024, using a Controller's Office software called Audit Command Language (ACL). OCYS management is responsible for the validity of the data and information to which the procedures were applied.

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).

## Other Duties and Responsibilities

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 2022 year-end financial audit

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

## Other Duties and Responsibilities



### Surprise 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 surprise cash counts.



### Bid Control

Receive and secure advertised bids and requests for proposals issued by the office of procurement. Open bids and monitor bid tabulation.

## Lehigh County Pension Board

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

### ETHICS HOTLINE

(610) 782-3999



Confidential



Independent



Integrity in  
Government

Mark Pinsley  
Controller

# Contact Info

As of January 31<sup>st</sup>, 2023

**General Office – 610-782-3082**

Name	Title	Phone	E-mail
Mark Pinsley	Controller	610-782-3178	<a href="mailto:MarkPinsley@lehighcounty.org">MarkPinsley@lehighcounty.org</a>
Michelle Hobel	Assistant Operations Manager	610-782-3082	<a href="mailto:MichelleHobel@lehighcounty.org">MichelleHobel@lehighcounty.org</a>
John Falk	Retired Deputy Controller	610-782-3083	<a href="mailto:JohnFalk@lehighcounty.org">JohnFalk@lehighcounty.org</a>
Nanton P. John	Deputy Controller	610-782-3438	<a href="mailto:NantonJohn@lehighcounty.org">NantonJohn@lehighcounty.org</a>
Joseph Buick	Assistant Deputy Controller	610-782-3912	<a href="mailto:JosephBuick@lehighcounty.org">JosephBuick@lehighcounty.org</a>
Allan Vavra	Auditor	610-782-3931	<a href="mailto:AllanVavra@lehighcounty.org">AllanVavra@lehighcounty.org</a>
Brian O'Donnell	Auditor	610-782-3915	<a href="mailto:BrianODonnell@lehighcounty.org">BrianODonnell@lehighcounty.org</a>
Nam Tran	Auditor	610-782-3914	<a href="mailto:NamTran@lehighcounty.org">NamTran@lehighcounty.org</a>
Rachel Wolff	Auditor	610-782-3084	<a href="mailto:RachelWolff@lehighcounty.org">RachelWolff@lehighcounty.org</a>

## **Staff members belong to many professional organizations:**

American Institute of Certified Public Accountants  
Association of Certified Fraud Examiners,  
Lehigh Valley Chapter (Board Member)  
The Institute of Internal Auditors, Lehigh Valley  
Chapter, (Board Member, Certifications Officer)  
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

## **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 Joint County Controller's Seminar (hosted by Lehigh and Northampton)**



**Want to know more about the County of Lehigh**

[www.lehighcounty.org](http://www.lehighcounty.org)

**Have a Lehigh County Human Service related question**

<https://www.lehighcounty.org/Departments/Human-Services/Information-Referral>

**Want to know if the Pennsylvania Treasury owes you money**

<https://www.patreasury.gov/unclaimed-property>

**Want to check out what the Lehigh Valley has to offer**

<https://www.patreasury.gov/unclaimed-property>

**Want to know which charity to donate to**

<https://www.charitynavigator.org/index.cfm/bay/search.advanced.htm>

**What to do if identity theft occurred**

<https://www.consumer.ftc.gov/features/feature-0014-identity-theft>

**Want to obtain a concealed carry license**

<https://www.lehighcounty.org/Departments/Concealed-Carry-Permit>

**Have to pay real estate taxes**

Lehigh County Government Center, Room 119

**Want to report fraud, waste, and abuse at Lehigh County**

Call the Ethics Hotline at: **610-782-3999**

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

**Want to vote by mail**

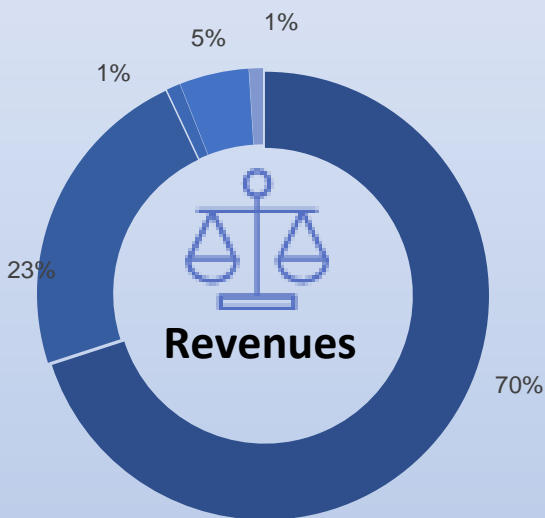
<https://www.pavoterservices.pa.gov/OnlineAbsenteeApplication/#/OnlineAbsenteeBegin>

# 2023 Lehigh County Revenues and Expenditures

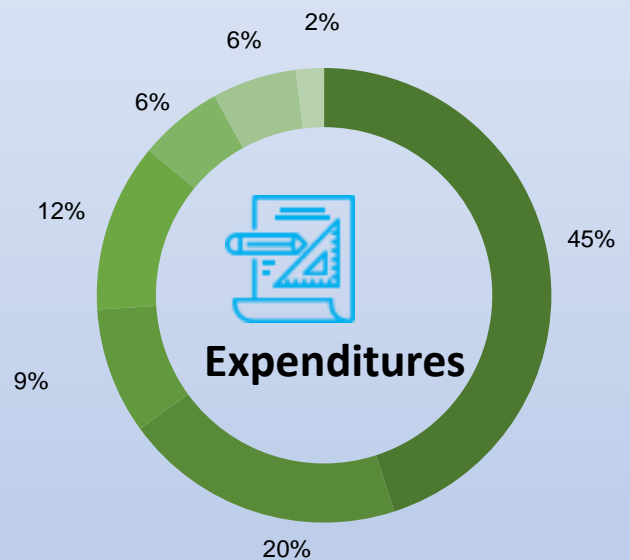
Source: 2023 Lehigh County Adopted Budget Details

2023 Lehigh County  
Adopted Revenues  
\$584,535,071

2023 Lehigh County  
Adopted Expenses  
\$574,455,214



- Grants and Reimbursements (70%)
- Taxes (23%)
- Other Revenues and Reserves (1%)
- Departmental Earnings (5%)
- Judicial Costs and Fines (1%)



- Human Services (45%)
- Nursing Homes (20%)
- Administration and Gen. Svcs. (9%)
- General Government (12%)
- Corrections (6%)
- Courts (6%)
- Debt Service (2%)

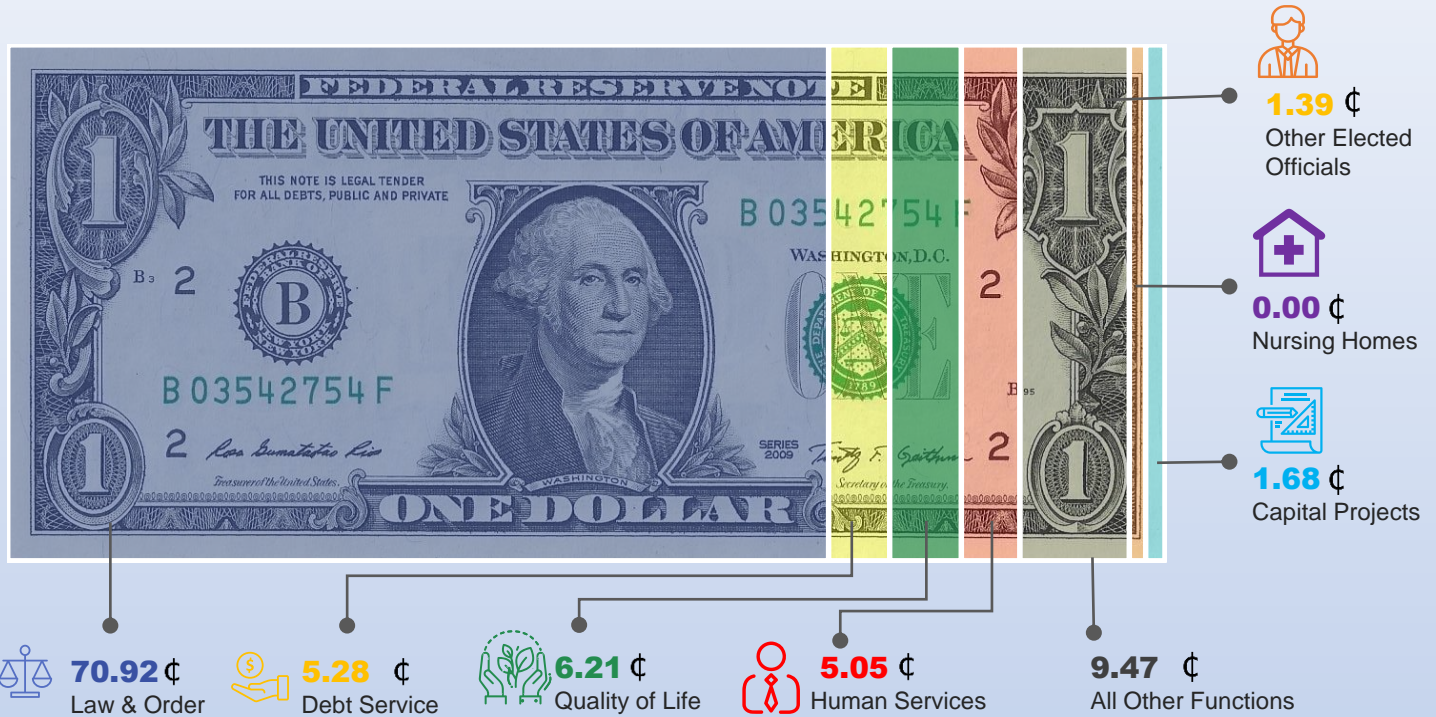
## 2023 Lehigh County Budget

Revenues above include \$117 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 2023 Lehigh County Adopted Budget include Human Services, Nursing Homes, and General Government.

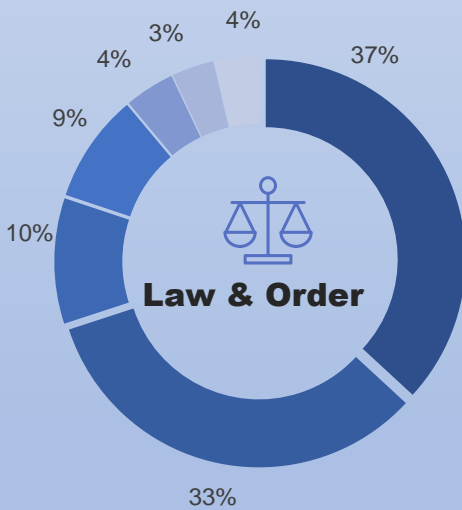


# 2023 Lehigh County Taxes in Context

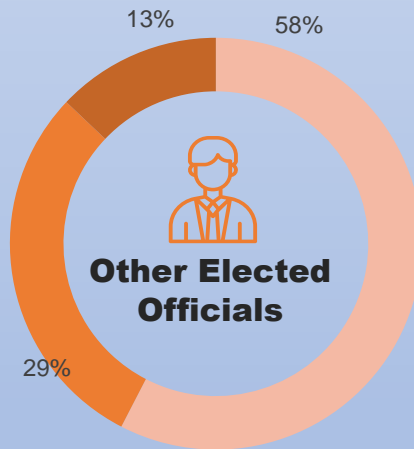
NOTE: This graphic details how each \$1 of real estate tax dollars are spent.



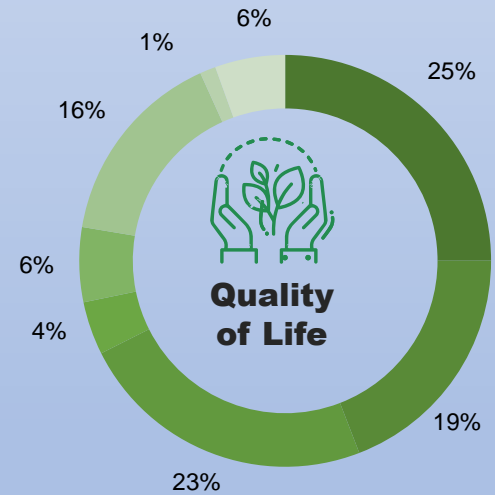
Source: 2023 Lehigh County Adopted Budget



- Corrections (37%)
- Courts (33%)
- District Attorney (10%)
- Sheriff (9%)
- Public Defender (4%)
- Coroner (3%)
- Emergency Management (4%)



- Controller (58%)
- Commissioners (29%)
- County Executive (13%)



- Voter's Registration (25%)
- Parks and Trails (19%)
- LANTA/ Joint Planning (23%)
- AG Extension (4%)