



County of Allegheny

Office of the Controller

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

ALLEGHENY COUNTY POLICE DEPARTMENT
U.S. DEPARTMENT OF THE TREASURY
FORFEITURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

ISSUED: JULY 29, 2014

Chelsa Wagner
Controller

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CHELSA WAGNER
CONTROLLER

COUNTY OF ALLEGHENY

OFFICE OF THE CONTROLLER

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July 21, 2014

Mr. Charles W. Moffatt
Superintendent
Allegheny County Police
400 North Lexington Street
Pittsburgh, PA 15208

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Dear Superintendent Moffatt:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the U.S. Department of the Treasury Forfeiture Fund financial statements of the Allegheny County Police Department as of and for the year ended December 31, 2013, and have issued our report thereon dated July 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Allegheny County Police Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allegheny County Police Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Allegheny County Police Department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

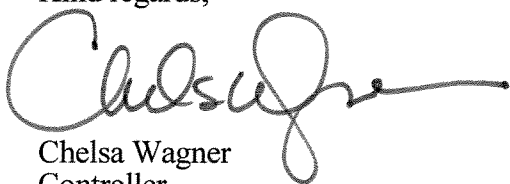
As part of obtaining reasonable assurance about whether the Allegheny County Police Department's U.S. Department of the Treasury Forfeiture Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 13-01.

Superintendent Moffatt
July 21, 2014

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kind regards,



Chelsa Wagner
Controller



Lori Churilla
Assistant Deputy Controller, Auditing

cc: Honorable John DeFazio, President, County Council
Honorable Nicholas Futules, Vice President, County Council
Honorable Rich Fitzgerald, County Executive
Ms. Jennifer Liptak, Chief of Staff, County Executive
Mr. William McKain, County Manager, Allegheny County
Mr. Warren Finkel, Budget Director, Allegheny County
Mr. Joseph Catanese, Director of Constituent Services, County Council
Mr. Walter Szymanski, Budget Director, County Council
Mr. Ed Przybyla, Fiscal Manager, Allegheny County Police Department

ALLEGHENY COUNTY POLICE DEPARTMENT
U.S. DEPARTMENT OF THE TREASURY FORFEITURE FUND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

FINDING 13-01 TIMELY USE OF SHARED REVENUES

Criteria: The U.S. Department of Treasury *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies* indicates that shared funds should normally be expended as they are received. The funds may be retained for a reasonable period of time to satisfy a future need, such as a capital expenditure. However, the Guide stipulates that a reasonable period of time is generally no longer than two years.

Condition: There were no shared revenues received in 2012 or 2013, therefore the shared revenue in the U.S. Department of the Treasury Forfeiture Fund at December 31, 2013 should have been expended for allowable law enforcement purposes. The Fund had a cash balance of \$15,612 at December 31, 2013.

Cause: The Allegheny County Police Department is retaining cash to satisfy future needs, which have not been specified.

Effect: The Allegheny County Police Department is not in technical compliance with the requirements pertaining to the timely use of shared revenues as stipulated in the *Guide*.

Recommendation: The Allegheny County Police Department should use the Fund cash balance to finance additional law enforcement activities as soon as possible, or commit to using the resources for a specified purpose within two years in order to comply with the *Guide*.

Management's
Response: In response to Finding 13-01, it should be noted that forfeiture funds have been spent on numerous law enforcement purposes, although most of that coming from the Allegheny County USDOJ Forfeiture Fund. Since the audit ending December 31, 2013 we have spent \$1,055.00 on repairs to diving equipment used by our EOD team, and are also in the process of purchasing and installing audio/video equipment to be used by our General Investigations Unit when interviewing suspects. The cost of this equipment is approximately \$10,000. In the future, we will continue to enhance our law enforcement needs within a reasonable period of time.

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

MEMORANDUM

TO: Allegheny County Controller

FROM: Charles Moffatt, Superintendent

DATE: 07/23/2014

RE: Allegheny County Police USDOT Forfeiture Fund Finding

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In response to Finding 13-01, it should be noted that forfeiture funds have been spent on numerous law enforcement purposes, although most of that coming from the Allegheny County USDOJ Forfeiture Fund. Since the audit ending December 31, 2013 we have spent \$1,055.00 on repairs to diving equipment used by our EOD Team, and are also in the process of purchasing and installing audio/video equipment to be used by our General Investigations Unit when interviewing suspects. The cost of this equipment is approximately \$10,000. In the future, we will continue to enhance our law enforcement needs within a reasonable period of time.

Thank You

Charles W. Moffatt
Superintendent
Allegheny County Police



CHARLES W. MOFFATT
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