COREY O'CONNOR

Allegheny County 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 JUSTICE EQUITABLE SHARING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

ISSUED: NOVEMBER 26, 2025

104 County Courthouse, 436 Grant Street Pittsburgh, PA 15219 - 412.350.4660

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County of Allegheny
Office of the Controller

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November 26, 2025

Mr. Christopher Kearns
Superintendent
Allegheny County Police Department
Ten Parkway Center, Suite 100
875 Greentree Road
Pittsburgh, PA 15220

Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Dear Superintendent Kearns:

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 financial statements of the Allegheny County Police Department's U.S. Department of Justice Equitable Sharing Fund as of and for the year ended December 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated November 26, 2025.

Report on 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) as a basis for designing 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, and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 24-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allegheny County Police Department's U.S. Department of Justice Equitable Sharing 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Allegheny County Police Department's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Allegheny County Police Department's response to the findings identified in our audit and described in the accompanying schedule of findings and response The Allegheny County Police Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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,

Corey O'Connor
Controller

Lori A. Churilla

Lori A. Churilla
Assistant Deputy Controller, Auditing

cc: Honorable Patrick Catena, President, County Council
Honorable John F. Palmiere, Vice-President, County Council
Honorable Sara Innamorato, Allegheny County Executive
Mr. John Fournier, County Manager
Mr. Timothy Cox, Deputy Director, Office of Budget and Finance
Mr. Ken Varhola, Chief of Staff, County Council
Ms. Sarah Roka, Budget Manager, County Council
Ms. Jody Shaffer, Finance Manager, Allegheny County Police Department

COREY O'CONNOR
CONTROLLER, COUNTY OF ALLEGHENY
104 COURTHOUSE
PITTSBURGH, PENNSYLVANIA 15219

ALLEGHENY COUNTY POLICE DEPARTMENT
U.S. DEPARTMENT OF JUSTICE EQUITABLE SHARING FUND
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

FINDING 24-01 YEAR-END INTERNAL CONTROL REVIEW PROCEDURES SHOULD BE PERFORMED

Criteria: Management's ability to fulfill its financial reporting responsibilities depends in part on the design and effectiveness of the processes and controls it has in place over accounting and financial reporting. Year-end review procedures are an important component of internal control and should be performed prior to the closing of the Fund's books each year to reduce the risk that accounting errors will not be detected and corrected.

Condition: A material accounting error occurred and was not detected and corrected. Specifically, $37,496 was accrued as shared revenue at year-end while it was not received within 60 days after year-end and therefore was not "available" under the modified accrual basis of accounting.

Cause: The year-end review procedures performed were not sufficient to identify the $37,496 of improperly recorded revenue.

Effect: The accounting error we identified was material to the Fund financial statements as of and for the year ended December 31, 2024. Material misstatements could also occur in future years without being detected and corrected if the condition is not remedied.

Recommendation: ACPD management should take steps to ensure that appropriate year-end review procedures are routinely performed to reduce the risk that any errors in the Fund's accounting records will not be detected and corrected. At a minimum, these procedures should involve scanning of the general ledger to identify potential accounting errors for further review.

Management's Response: Management's response begins on page 5.

November 26, 2025

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In regard to the audit finding of the 2024 Department of Justice Equitable Sharing Fund where deposits were incorrectly accrued, the Finance Manager accrued 3 deposits to 2024 as the "Sharing Decision Date" was 12/18/2024 at the time accruals were due as was the procedure in the past. Actual transactions did not occur until 4/21/2025, which is beyond the 60 day recognition period. Generally, the transactions occur within 60 days of the sharing date. The auditors consider the "Sharing Decision Date" as the date the funds are available and measurable, however, there is no guarantee of when or the amount of the actual deposit. The DOJ does not recognize the revenue transfer until the "Transaction Date".

In the future the Finance Manager will not include any anticipated revenues on the accruals due in January but will report transactions occurring within 60 days of year end with a previous year's "Sharing Decision Date" to the controller at the time of the deposit to satisfy the interpretation of the auditors for revenue reporting.

Christopher Kearns
Superintendent

Jody Shaffer
Finance Manager