COUNTY OF DELAWARE

Independent Auditor's Report for the period January 1 to December 31, 2024

Office of the Sheriff

Louis F. Rosenthal, Controller
COUNTY OF DELAWARE

County of Delaware
Office of the Sheriff

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Independent Auditor's Report

Siddiq Kamara, Sheriff
Office of the Sheriff
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Report on the Financial Statements

Qualified Opinion

We have audited the accompanying cash basis financial statements of the Office of the Sheriff (*Sheriff*) as of and for the year ended December 31, 2024, which comprise the statements of assets and liabilities arising from cash transactions and the related statements of receipts, disbursements, and cash balances (the financial statements) and the related notes to the financial statements.

In our opinion, **except for the effects of the matters described in the Basis for Qualified Opinion section of our report**, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the *Sheriff* as of December 31, 2024, and its cash receipts, disbursements, and cash balances for the year then ended, in accordance with the cash basis of accounting described in Note 1.

Basis for Qualified Opinion

The *Sheriff* lacks a centralized financial repository, resulting in fragmented records across disconnected software systems. This structural deficiency prevented the *Sheriff* from maintaining a unified subsidiary ledger or a departmental disbursement ledger for the 2024 fiscal year. Consequently, the *Sheriff's* internal records initially showed a material discrepancy of approximately $20.02 million when compared to Delaware County's (County) SAP General Ledger system.

As described in Note 1, the financial statements are prepared on the cash basis of accounting, where receipts are recognized when received rather than when assessed. While the Office of the Controller-Internal Audit Department (IAD) performed a forensic reconstruction to verify the final cash position of $5,619,907, the absence of a reliable, real-time accounting system resulted in an inability to fully substantiate specific undistributed fiduciary liabilities.

We were unable to obtain sufficient audit evidence regarding the individual fiduciary beneficiary balances that comprise the total escrow liability through the *Sheriff's* internal systems alone. Furthermore, as discussed in Note 5, the exclusion of $480,640 in non-*Sheriff* fiduciary assets (District Judge and District Attorney funds) and inclusion of uncaptured SAP General Ledger Entries (October 2024 Cycle) $9,323 from this report creates a significant net variance from the County's Annual Comprehensive Financial Report (ACFR) of $471,318.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (*GAAS*) and the Government Auditing Standards issued by the Comptroller General of the United States (*GAS*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the *Sheriff* and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters - Basis of Accounting and Not Full County of Delaware Financial Statements

We draw attention to the basis of accounting described under Management's Responsibility for the Financial Statement section. The financial statements were prepared by the *Sheriff* on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the activity of the *Sheriff* and do not purport to, and do not, present fairly the financial position or results of operations of the County of Delaware, for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The *Sheriff's* management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by *GAS*, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that impact the *Sheriff's* ability to meet its fiduciary obligations and continuing operations based on the authority granted by the Home Rule Charter and the annual appropriations provided by the County.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *GAAS* and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with *GAAS* and *GAS*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the *Sheriff's* internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the *Sheriff's* ability to meet its fiduciary obligations and continuing operations based on the authority granted by the Home Rule Charter and the annual appropriations provided by the County.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, Internal Audit has also issued a separate report dated July 10, 2026, on our consideration of the *Sheriff's* internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the *Sheriff's* internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the *Sheriff's* internal control over financial reporting and compliance.

Louis F. Rosenthal
Controller

July 10, 2026

Office of the Sheriff
County of Delaware, Pennsylvania
Statement of Assets and Liabilities - Cash Basis
For the period January 1 to December 31, 2024

Assets	
Cash	$5,619,907
Total Assets	**$5,619,907**
Liabilities	
Funds Held in Escrow	$5,054,800
Undistributed Fiduciary Liabilities	$565,107
Total Liabilities	**$5,619,907**

The accompanying notes are an integral part of these financial statements.

Office of the Sheriff
County of Delaware, Pennsylvania
Statement of Receipts, Disbursements, and Changes in Fund Balance
For the period January 1 to December 31, 2024

Receipts	
County Fees	$1,159,079
Affidavits	$40,864
Real Estate Sales	$20,911,126
Refunds	$513
Surcharge Fees	$360,364
PSP Gun Permits	$11,084
Total Receipts	$22,483,029
Disbursements	
County Fees	$943,974
Affidavits	$36,788
Real Estate Sale Distribution	
Fiduciary Beneficiaries	$17,568,320
Internal Remittances (County of Delaware)	$879,391
Intergovernmental Fiduciary Remittances	$219,912
Surcharge Fees	$369,811
PSP Gun Permits	$11,060
Total Disbursements	$20,029,254
Excess of cash receipts over cash disbursements	$2,453,775
Fund balance at December 31, 2023	$3,166,132
Fund balance at December 31, 2024	**$5,619,907**

The accompanying notes are an integral part of these financial statements.

Office of the Sheriff
County of Delaware, Pennsylvania
Notes to Financial Statements
For the period January 1 to December 31, 2024

Note 1 - Summary of Significant Accounting Principles

Background and Reporting Entity

Acting as a custodial agent for the Commonwealth, Delaware County, and the public, the Office of the Sheriff (*Sheriff*) manages millions in annual collections, including surcharge fees, service fees, gun permits, and property sale proceeds. These financial transactions are strictly custodial; all cash balances represent undistributed fiduciary liabilities held in specific escrow-related accounts until they are remitted to the appropriate stakeholders.

Regarding leadership during the audit and reporting periods, Mr. Jerry L. Sanders Jr. served as Sheriff from January 2, 2018, to January 4, 2026, succeeded by Mr. Siddiq Kamara on January 5, 2026, up to the present.

The actual operating expenses of the *Sheriff* are paid by the County of Delaware (County) through the County's General Fund. These costs include the salaries and wages of *Sheriff* employees, fringe benefits, office rent, postage, telephone, office supplies, computer use, and furniture and equipment. These costs are not included in the audited Statement of Receipts and Disbursements.

To maintain the integrity of custodial records, the *Sheriff* utilizes two primary software platforms: a) Real-estate Sales Application (ReSA): Validates daily receipts by reconciling Point of Sale (POS) and b) County Suite (Teleosoft): A government-specific accounting program used for tracking real-time case ledgers and costs. The *Sheriff* originally utilized ReSA, migrated to Teleosoft from August 2023 to August 2024, and subsequently reverted to ReSA, which remains the current system of record.

Basis of Accounting

The books and records of the *Sheriff* are maintained on the cash basis of accounting. Consequently, receipts are recognized when received rather than when assessed or otherwise due and disbursements are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements do not present the assets, liabilities, receipts, disbursements, and cash balances in accordance with generally accepted accounting principles.

Financial Reporting Entity

This report is intended to represent only those transactions for the administration and services delivered by the *Sheriff*. This report is not intended to represent the financial position or results of operations of the County or to encompass all County receipt and disbursement activity.

Note 2 - Cash and Undistributed Fiduciary Liabilities

The *Sheriff's* cash is physically maintained within the County's General Fund banking structure. While these funds are comingled in a single consolidated bank account for treasury management purposes, the County maintains a specific subsidiary ledger within the SAP General Ledger system to identify and track the cash balances attributable to the *Sheriff*. As of December 31, 2024, the verified cash balance was $5,619,907.

As of December 31, 2024, the total Undistributed Fiduciary Liability is $5,619,907, consisting of the core account balance of Funds Held in Escrow ($5,054,800) and the current year increase in escrow ($565,107). These funds represent Undistributed Fiduciary Liabilities- legal obligations to third-party beneficiaries and taxing authorities that have not yet been disbursed.

The fund balances are comprised of the following components:

Undistributed to the following:	Fund Balance January 1, 2024		Fund Balance December 31, 2024	
Real Estate Sales	$	(10,945,265.35)	$	(13,188,769.01)
State Share of Fees	$	905,019.09	$	914,441.89
County Fees	$	6,874,114.26	$	6,654,419.93
Total	$	(3,166,132.00)	$	**(5,619,907.19)**

Note 3 - Fiduciary Receipts (Additions)

The receipts under the *Sheriff* include monies collected on behalf of the County and for the Commonwealth in a fiduciary capacity. The monies collected for the Commonwealth include State Realty Transfer Taxes and other statutory surcharges.

The *Sheriff* serves as the primary fiduciary custodian for all foreclosed property auctions. For the fiscal year ending December 31, 2024, the *Sheriff* processed $22,483,029 in total additions. This includes: a) Real Estate Sales: $20,911,126 in bid proceeds and earnest money; b) County Fees, Affidavits, and Refunds: $1,200,455 in earned revenue for enforcement and services; and c) Surcharge and PSP Fees: $371,448 for the Commonwealth and State Police.

Note 4 - Fiduciary Remittances (Deductions)

The disbursement of County Fees is reported net after the reconciliation of receipts and disbursements issued against the *Sheriff's* combined custodial account. Due to the absence of a departmental disbursement ledger, the Internal Audit Department (IAD) performed a forensic reconstruction to verify the $20,029,254 in total deductions against external County records.

In the matter of mortgage foreclosures and tax sales, the *Sheriff* is required to hold all bid proceeds in escrow until distribution. The *Sheriff* is permitted by statute to deduct poundage fees of 2% of the first $250,000 and 0.5% of the remaining bid amount. These custodial funds represent legal obligations to external parties. During the period, total deductions (remittances) amounted to $20,029,254. This includes: a) Fiduciary Beneficiaries: $17,568,320 distributed to creditors, litigants, and property owners; b) Internal Remittances (County of Delaware): $879,391 transferred to the County General Fund for taxes and earned fees; c) Intergovernmental Fiduciary Remittances: $219,912 remitted to municipalities, school districts, and court financial services; and d) Statutory Remittances: $380,871 in Surcharge and PSP fees.

To verify the integrity of the $20,029,254 in total disbursements, the IAD performed substantive testing on real estate distributions, which accounted for $18,667,622 (or 93%) of the total value. Through a forensic reconstruction of the County's SAP General Ledger and supplemental departmental records, the IAD successfully traced and reconciled the full value of these distributions. To further validate the underlying transactions, the IAD conducted a detailed audit of a representative sample consisting of 25 Real Estate Distribution cases (representing $3,003,808 in total value). Each sampled case involved an average of 8 individual checks (180 checks were verified). The audit methodology involved cross-referencing these payments against the following primary documentation:

- Distribution Reports: Verified check numbers and amounts for all payees, including foreclosed owners.
- Property Title Records: Reviewed First American Title Insurance Company's Schedule A, Legal Descriptions, and List of Liens.
- Departmental Ledgers: Examined the *Sheriff's* Mortgage Foreclosure File Ledger and manual handwritten final disbursement calculations.
- Verification of Receipt: Reviewed copies of distributed checks, photo identification for large-sum recipients, and vendor proof-of-receipt letters.
- Tax Compliance: Confirmed County and Property Tax Certifications.

Audit verification confirmed the presence of authorized signatures on final Distribution Reports, Tax Certifications, and proof-of-receipt letters. The IAD's reconciliation successfully accounted for all funds; however, the manual effort required to bridge departmental records with the General Ledger highlights a systemic need for a centralized disbursement ledger. This procedural limitation in the current reporting infrastructure supports the Basis for Qualified Opinion cited in this report.

Note 5 - Reporting Discrepancies and Misclassification of Fiduciary Assets

Misclassification of Non-Departmental Assets

The IAD identified that the fiduciary cash balances historically reported for the *Sheriff* within the County's SAP General Ledger, which serves as the basis for the Annual Comprehensive Financial Report (ACFR), improperly include seventeen (17) unrelated accounts. These consist of sixteen (16) Magisterial District Judge (DJ) Escrow accounts and the District Attorney (DA) Forfeited Drug Funds. Under GASB Statement No. 84, Fiduciary Activities, a government unit must only report fiduciary activities for which it exercises administrative control. As the *Sheriff* lacks the statutory authority to direct the disbursement of DJ Escrow or DA Forfeiture funds, the inclusion of these accounts in the *Sheriff's* departmental financial schedules represents a misclassification of assets. This commingling prevents a substantive reconciliation of actual property-sale liabilities and serves as a primary basis for the Qualified Opinion issued in this report.

Reconciliation to the Annual Comprehensive Financial Report

The verified cash position presented in this audit ($5,619,907) differs from the balance reported in the County's ACFR ($6,091,225) by a net variance of $471,318. The table below reconciles these two figures:

Description	Amount
Total Assets & Liabilities (per ACFR Reporting)	$6,091,225
Exclusion of DJ Escrow and DA Forfeited Funds (Ending Balances)	($480,640)
Uncaptured SAP General Ledger Entries (October 2024 Cycle)	$9,323
Total Adjusted Assets and Liabilities (Per Audit)	$5,619,907

Details of the Variance

The net difference of $471,318 is attributed to the following findings:

1. Administrative Control (GASB 84): The ACFR reporting cycle included $721,282 in unrelated receipts and $805,749 in disbursements related to DJ Escrow and DA Forfeited Funds. This resulted in an inflated ACFR ending balance of $480,640 for funds not under *Sheriff* oversight.
2. Timing and Mapping Differences: Two (2) specific SAP entries recorded in October 2024, totaling $9,323, were omitted from the ACFR reporting cycle but were captured and verified during this audit's forensic reconstruction.

The audited financial statements were reconstructed using the SAP General Ledger, which is compiled through a combination of Treasurer's Reports (daily cash/check receipts), Controller-processed check requests, and departmental transfers. This forensic methodology was employed to ensure an accurate comparison between the ACFR and the verified financial position of the *Sheriff* as of December 31, 2024.

Note 6 - Definition of Terms:

a) Real Estate Sales – The fiduciary process by which the *Sheriff* auctions adjudicated real estate to satisfy creditor judgments. This encompasses all financial transactions related to the auction, including the initial $3,000 advance used for expenses (such as advertising), earnest money deposits, and final bid balances for temporary custodial holding.

b) County Fees – Revenue earned by the County for services performed by the *Sheriff*. This includes fees from enforcement actions (levies, garnishments, evictions, and writs) and the administrative portion of gun permit fees retained by the County.

c) Affidavits – Receipts and disbursements related to the filing of sworn statements or formal legal documents required during civil process or real estate sale proceedings.

d) Surcharge Fees – Statutory charges applied to specific filings, earmarked for remittance to the Commonwealth of Pennsylvania to fund state-mandated Sheriff and Deputy Sheriff education and training programs.

e) PSP Gun Permits – The specific portion of gun permit fees remitted to the Pennsylvania State Police (PSP), distinguishing state processing funds from administrative fees retained by the County.

f) Fiduciary Beneficiaries – Private individuals, legal entities, and law firms with a legal claim to *Sheriff's* Sale proceeds. This includes Mortgage Holders, Attorneys, and Property Owners.

g) Real Estate Sale Distribution – The formal allocation of auction proceeds to Fiduciary Beneficiaries and taxing authorities. This involves a Distribution Report to satisfy judgments and liens before any excess (if any) is returned to the debtor.

h) Intergovernmental Fiduciary Remittances – The distribution of collected funds to external public jurisdictions (Municipalities, Boroughs, School Districts) for delinquent taxes, municipal liens, and abatement costs.

i) Internal Remittances (County of Delaware) – The transfer of fiduciary funds to the County of Delaware to satisfy internal obligations, such as County real estate taxes, judicial liens, and the reimbursement of the General Fund for commissions earned.

j) Undistributed Fiduciary Liabilities – The total amount of custodial cash held within the County's General Fund banking structure on behalf of the *Sheriff* that has not yet been disbursed. It reflects the legal obligation to eventually pay out these funds to the rightful claimants.

k) Funds Held in Escrow – This represents the specific sub-component of the Undistributed Fiduciary Liability. As of December 31, 2024, the total of $5,619,907 consists of the core legacy escrow balance of $5,054,800 plus the current fiscal year's net increase in escrow of $565,107. These funds are strictly restricted for legal obligations to third-party beneficiaries and taxing authorities.

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

July 10, 2026

Siddiq Kamara, Sheriff
Office of the Sheriff
County of Delaware
201 W. Front St., Media PA 19063

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 statement of assets and liabilities arising from cash transactions as of December 31, 2024, and the related statement of cash receipts, disbursements, and cash balances for the year then ended and the related notes to the financial statements of the Office of the Sheriff (*Sheriff*) and have issued our report thereon dated July 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the *Sheriff's* internal control over financial reporting (internal control) as a basis for designing our 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 *Sheriff's* internal control. Accordingly, we do not express an opinion on the effectiveness of the *Sheriff's* internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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. We consider the following deficiencies in internal control to be a material weakness:

Material Weakness: Improving Financial Reporting and Fiduciary Accountability

The *Sheriff* lacks a centralized financial repository and a unified subsidiary ledger. Financial data is currently fragmented across disconnected platforms, creating decentralized silos that prevent the capture of the end-to-end transaction lifecycle.

Specifically, the absence of a departmental disbursement ledger represents a fundamental breakdown in the accounting cycle. This structural deficiency initially resulted in a material discrepancy of approximately $20.02 million between the *Sheriff's* internal records and the County's SAP General Ledger. While a forensic reconstruction verified the final cash position of $5,619,907, the underlying controls remain inadequate to independently substantiate specific undistributed fiduciary liabilities at the individual beneficiary level as required by GASB 84 and the Pennsylvania Trust Act.

The *Sheriff's* internal case management systems are not integrated with the County's SAP General Ledger subledger. This lack of synchronization contributed to the initial material discrepancy and necessitates manual, high-risk data triangulation. Furthermore, the physical commingling of Real Estate Sale proceeds within the County's General Fund banking structure, while tracked via subledger, complicates the independent administrative control required for fiduciary assets.

Improving Cash Management and Recording

The *Sheriff*, as a primary Fiduciary Custodian, is exposed to Custodial Credit Risk. The current reliance on manual data entry and off-book decentralized recording influences transparency and regulatory compliance. Our audit identified a reconciling difference of $471,318 between reconstructed records and external financial reporting, attributed to timing and classification errors. This was discussed in Note 5 - Reporting Discrepancies and Misclassification of Fiduciary Assets.

The Internal Audit Department (IAD) identified recurring minor shortages and administrative inconsistencies in the Petty Cash Fund, indicating a need for more frequent reconciliations and strengthened custodial oversight.

Recommendations:

Based on the agreements reached during the exit conference on April 28, 2026, the 2024 recommendations were restated to maintain the core objectives of the 2023 report while incorporating the specific action items discussed:

1. Consolidate into a Centralized Financial Software

- Recommendation: Implement a single, government-specific accounting solution to capture every stage of a case (from initial deposit to final distribution) within a single, unalterable audit trail.
- Current Status: Management has agreed to this finding.
- Next Step: The *Sheriff's*, Controller's Office, and Information Technology (IT) Department will collaborate to finalize a detailed Scope of Work (SOW) enabling the software consultant to provide a formal price estimate for the financial software upgrade.

2. Mandate SAP Integration

- Recommendation: Establish a direct digital interface between the *Sheriff's* software and the County's SAP system to ensure real-time synchronization between departmental books and the General Ledger.
- Current Status: Management has agreed to this finding.
- Next Step: This integration will be a primary requirement in the SOW mentioned above to prevent the manual data triangulation currently required by IAD.

3. Establish a Centralized Subsidiary Ledger

- Recommendation: Restore the independent audit trail by maintaining a real-time ledger of all outgoing funds, matching every disbursement to a specific court case.
- Current Status: Management has agreed to this finding.
- Next Step: This functionality must be a core component of the new software infrastructure to satisfy the requirements of the Pennsylvania Trust Act.

4. Segregate Fiduciary Assets

- Recommendation: Transition high-volume Real Estate Settlement funds into dedicated, non-commingled bank accounts to provide a cleaner reporting structure.
- Current Status: Management has agreed to this finding.
- Next Step: The *Sheriffs* will meet with the County Treasurer and the IT Department to discuss the feasibility of this transition alongside the move toward cashless over-the-counter sales.

5. Remediate SAP Account Mapping

- Recommendation: Coordinate with the Accounting Department to remove unrelated accounts (such as DJ Escrow and DA Forfeiture) from the *Sheriff's* ledger.
- Current Status: The *Sheriffs* had no objections, and the Controller's Office agreed to the finding.
- Next Step: The Controller's Office will coordinate the corrective mapping with the external auditor to process adjustments and ensure departmental records accurately reflect only *Sheriff*-specific financial activity.

6. Strengthen Petty Cash Oversight

- Recommendation: Transition from physical currency to a prepaid commercial card (P-Card) system with digital ledgers and spending limits.
- Current Status: Management has agreed to the finding but requested clarity on expense tracking for employees.
- Next Step: The Controller's Office will draft a comprehensive P-Card Policy outlining acceptable uses, restrictions, and penalties to address management's concerns.

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.

This report is intended for the information of the County of Delaware Council, the Auditor General of Pennsylvania, and all other political affiliates served by the *Sheriff*. This report is, however, a matter of public record, and its distribution is not limited.

Louis F. Rosenthal
Controller

July 10, 2026