



TO: Final Report Distribution

FROM: Mark Pinsley, County Controller



DATE: September 20, 2021

RE: Compliance Audit – Tax Claims 2017-2020 (Elite Revenue Solutions, LLC)

We have completed an audit of tax claims for the years 2017 through 2020. The County of Lehigh uses Elite Revenue Solutions, LLC (formerly known as Northeast Revenue Service, LLC) to collect and distribute delinquent real estate taxes for the County effective January 27, 2015. Our audit report #21-20 is attached.

The results of our audit are:

- Elite Revenue Solutions, LLC (“Elite”) is the County’s agent for the collection of delinquent real estate taxes. Elite retains possession and control of the collected funds until they are disbursed, and, as such, Elite’s financial condition should be reviewed periodically.

Elite’s financial statement should be reviewed by the fiscal officer at least annually. Any concerns regarding its ability to meet its financial obligations should be discussed and documented with the appropriate individuals at Elite.

Attachment



COUNTY OF LEHIGH, PENNSYLVANIA

INDEPENDENT AUDITOR'S REPORT

Compliance Audit – Tax Claims (Elite Revenue Solutions, LLC)
For the Years 2017 through 2020

REPORT NO. 21-20

COUNTY OF LEHIGH, PENNSYLVANIA
TAX CLAIMS (ELITE REVENUE SOLUTIONS, LLC)
FOR THE YEARS 2017 THROUGH 2020

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COUNTY OF LEHIGH, PENNSYLVANIA
TAX CLAIMS (ELITE REVENUE SOLUTIONS, LLC)
FOR THE YEARS 2017 THROUGH 2020

Background

Effective January 27, 2015, the County of Lehigh entered into an agreement (Ordinance 2014-124) with Elite Revenue Solutions, LLC (formerly known as Northeast Revenue Service, LLC) whereby Elite Revenue Solutions, LLC would collect and distribute delinquent real estate taxes for the County. Prior to this agreement the County used in-house staff to perform this function.

The objective of this audit was to determine compliance by Elite Revenue Solutions, LLC (formerly known as Northeast Revenue Service, LLC) to the terms and conditions of the above stated agreement.



Timothy Reeves, Fiscal Officer
Office of Fiscal Affairs
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

Sean Shamany, President/Director of Operations
Elite Revenue Solutions, LLC
100 N. Wilkes-Barre Blvd, Suite 205
Wilkes-Barre, PA 18702

Compliance

We have audited Elite Revenue Solutions, LLC's compliance with agreements to collect and distribute delinquent real estate taxes for the years 2017 through 2020. Compliance with the requirements referred to above is the responsibility of Elite Revenue Solutions, LLC's management. Our responsibility is to express an opinion on Elite Revenue Solutions, LLC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on delinquent tax collections and office space rents. An audit includes examining, on a test basis, evidence about Elite Revenue Solutions, LLC's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Office of Fiscal Affairs management's compliance with those requirements.

In our opinion, Elite Revenue Solutions, LLC's management complied, in all material respects, with the compliance requirements referred to above that are applicable to collection of delinquent real estate taxes for the years 2017 through 2020.



Internal Control Over Compliance

Management of Elite Revenue Solutions, LLC is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Elite Revenue Solutions, LLC management's internal control over compliance to determine the auditing procedures for the purposes of expressing an opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Elite Revenue Solutions, LLC management's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that a material noncompliance with a compliance requirement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance 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 deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management; Phillips Armstrong, County Executive; Edward Hozza, County Administrator; Board of Commissioners; and others within the county and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



MARK PINSLEY
County Controller

Audited by: Allan Vavra

August 31, 2021
Allentown, Pennsylvania

xc: Phillips Armstrong, County Executive
Board of Commissioners
Edward Hozza, County Administrator

COUNTY OF LEHIGH, PENNSYLVANIA
TAX CLAIMS (ELITE REVENUE SOLUTIONS, LLC)
FOR THE YEARS 2017 THROUGH 2020

Schedule of Audit Findings and Recommendations

1. Evaluate Elite Revenue Solution, LLC's financial condition

Condition:

Elite Revenue Solutions, LLC ("Elite") is the County's agent for the collection of delinquent real estate taxes. Elite retains possession and control of the collected funds until they are disbursed, and, as such, Elite's financial condition should be reviewed periodically.

Recommendation:

Elite's financial statement should be reviewed by the fiscal officer at least annually. Any concerns regarding its ability to meet its financial obligations should be discussed and documented with the appropriate individuals at Elite.