

# COMPLIANCE AUDIT

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## West Shore Regional Non-Uniformed Pension Plan Cumberland County, Pennsylvania

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June 2025



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

West Shore Regional Police Commission  
Cumberland County  
Lemoyne, PA 17043

We have conducted a compliance audit of the West Shore Regional Non-Uniformed Pension Plan pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

The objective of the audit was to determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the area related to the objective identified above. To determine whether the pension plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- For the period January 1, 2024 to December 31, 2024, we determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the deposit date of state aid and determining whether deposits were made within 30 days of receipt.

- For the period January 1, 2022 to December 31, 2024, we determined whether annual employer contributions were calculated and deposited in accordance with the plan's governing document and applicable laws and regulations by examining the municipality's calculation of the plan's annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plan as evidenced by supporting documentation. Employer contributions that were deposited into the pension plan for the years ended December 31, 2019 to December 31, 2024, are presented on the Summary of Deposited State Aid and Employer Contributions.
- For the period January 1, 2024 to December 31, 2024, we determined that there were no employee contributions required by the plan's governing document and applicable laws and regulations.
- For the period January 1, 2024 to December 31, 2024, we determined that there were no benefit calculations prepared.
- We determined whether the January 1, 2023 actuarial valuation report was prepared and submitted by March 31, 2024 in accordance with Act 205 and whether selected information provided on this report is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.
- For the period January 1, 2024 to December 31, 2024, we determined whether the terms of the plan's unallocated insurance contract, including ownership and any restrictions, were in compliance with plan provisions, investment policies, and state regulations by comparing the terms of the contract with the plan's provisions, investment policies, and state regulations.

The West Shore Regional Police Commission contracted with an independent certified public accounting firm for annual audits of its basic financial statements which are available at the West Shore Regional Police Department's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

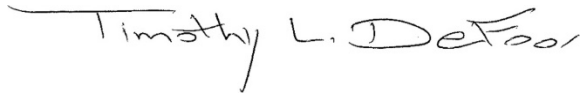
Commission officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the West Shore Regional Non-Uniformed Pension Plan is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. As previously described, we tested transactions, interviewed selected officials, and performed procedures to the extent necessary to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objective.

The results of our procedures indicated that, in all significant respects, the West Shore Regional Non-Uniformed Pension Plan was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies for the periods noted above, except as noted in the following finding further discussed later in this report:

Finding – Failure To Properly Fund Member’s Account

The accompanying supplementary information is presented for purpose of additional analysis. We did not audit the information or conclude on it and, accordingly, express no form of assurance on it.

The contents of this report were discussed with officials of the West Shore Regional Police Commission and, where appropriate, their responses have been included in the report. We would like to thank commission officials for the cooperation extended to us during the conduct of the audit.

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor  
Auditor General  
May 12, 2025

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## **BACKGROUND**

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The Act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans.

Annual state aid allocations are provided from a two percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the West Shore Regional Non-Uniformed Pension Plan is also governed by implementing regulations published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes.

The West Shore Regional Non-Uniformed Pension Plan is a single-employer pension plan locally controlled by the provisions of Resolution No. 2014-1, as amended, and a separately executed plan agreement with the plan's custodian restated January 1, 2008. The plan was established January 1, 2004. Active members are not required to contribute to the plan. The regional police department is required to contribute ten percent of employees' annual salary. As of December 31, 2024, the plan had one active member.

WEST SHORE REGIONAL NON-UNIFORMED PENSION PLAN  
FINDING AND RECOMMENDATION

**Finding – Failure To Properly Fund Member’s Account**

Condition: The commission did not fully fund the account of a plan member in 2023 and 2024 in the amounts of \$247 and \$404, respectively, as illustrated below:

<u>Year</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Due</u>
2023	\$ 5,422	\$ 5,175	\$ 247
2024	5,579	5,175	404

Criteria: Section 3.01 of Resolution 2014-2 states, in part:

The amount of the Employer Contribution of each eligible employee shall be calculated as of the Contribution Date and shall be ten (10%) percent of that individual Non-Uniformed employee’s annual salary.

Cause: Plan officials determined and paid the employer contribution amount based on ten percent of the budgeted annual salary instead of the employee’s actual salary and failed to reconcile the required employer contribution to the contribution deposited into the fund. Additionally, plan officials failed to establish adequate internal control procedures to ensure that eligible plan members’ accounts were properly funded in accordance with the provisions contained in the plan’s governing documents. Commission officials indicated that this deficit was not an intentional act and was an oversight attributable to wage changes throughout the year.

Effect: The failure to properly fund members’ accounts could result in plan members being denied benefits to which they are entitled in accordance with the plan’s governing document. Furthermore, due to the commission’s failure to properly fund the account, the commission must now pay interest on the delinquent contributions.

Recommendation: We recommend that commission officials review the applicable member’s account and make the adjustment deemed necessary to ensure it is funded in accordance with the provisions contained in the plan’s governing document.

We also recommend that commission officials implement adequate internal control procedures to ensure that members’ accounts are properly funded in accordance with the provisions contained in the plan’s governing document.

WEST SHORE REGIONAL NON-UNIFORMED PENSION PLAN  
FINDING AND RECOMMENDATION

**Finding – (Continued)**

**Management's Response:**

Commission officials agreed with the finding without exception. On February 12, 2025, the commission deposited \$700.06 to the member's account for the contributions due plus interest.

**Auditor's Conclusion:** Based on the management response, it appears regional officials have complied with the finding recommendation. Full compliance with the finding recommendation will be evaluated during our next audit of the plan.



WEST SHORE REGIONAL NON-UNIFORMED PENSION PLAN  
SUMMARY OF DEPOSITED STATE AID AND EMPLOYER CONTRIBUTIONS  
(UNAUDITED)

Year Ended December 31	State Aid	Employer Contributions
2019	None	\$ 4,569
2020	None	4,271
2021	None	2,702
2022	None	5,136
2023	None	5,175
2024	None	5,175

WEST SHORE REGIONAL NON-UNIFORMED PENSION PLAN  
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

**The Honorable Joshua D. Shapiro**  
Governor  
Commonwealth of Pennsylvania

**Ms. Gale E. Gallo**  
Chairperson, Regional Police Commission

**Mr. Matthew Salkowski**  
Vice-Chairman, Regional Police Commission

**Mr. Anthony Minium**  
Chief of Police

**Mr. John Friel**  
Assistant Chief of Police

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).