

Bond Case Briefs

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In re Appeal of 2012 Financial Audit for Greene Tp.

Commonwealth Court of Pennsylvania - April 1, 2015 - A.3d - 2015 WL 1443097

Appellant served as the Township's treasurer during the 2012 fiscal year; she left this position on January 14, 2013. The records maintained by Appellant as treasurer during 2012 were audited, and the Annual Audit and Financial Report of Greene Township for the 2012 fiscal year was filed on August 29, 2013.

On October 8, 2013, Appellant filed a statutory appeal from the audit pursuant to section 909 of the Second Class Township Code (Code). In her appeal, Appellant asserted that: (1) the Township did not provide all records to the auditors; (2) certain amounts were incorrectly reported by the auditors; and (3) certain items were paid in error, causing a loss to the Township, and should be surcharged to the responsible Township supervisors.

The Township and auditor William Owens & Co. (together, the Township) filed a motion to quash Appellant's appeal, asserting that Appellant lacked standing to appeal the sums reported and paid. The trial court granted the motion and Appellant appealed.

The appeals course reversed, holding that Appellate had standing.

The court noted that, upon his or her appointment, a township treasurer is required to post a bond; receive all money payable to the township; keep accounts that are open to inspection; "annually state the accounts" and make them available to the auditors for inspection; and may be subject to penalties, financial and otherwise, for failing to perform his or her duties.

The dates by which the treasurer and the board of auditors must fulfill their duties are not aligned by the Code. The board of auditors is required to complete its audit before the first day of March each year and to file a report not later than ninety days after the close of the fiscal year. Because a treasurer serves at the pleasure of the board of supervisors, the terms of some, but not all, township treasurers will expire before the deadline by which the board of auditors must complete its audit and/or file a report.

In light of the larger statutory scheme, the court concluded that the interpretation urged by the Township, that those township treasurers lose standing to challenge an audit of the records created during their term of office, is patently unreasonable. Thus, the court concluded that, regardless of when a treasurer's term expires, the officer whose performance and records are reviewed by the auditors has a vested interest in the outcome of that audit and standing under section 909 of the Code.