



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

FRANK S. KEDL, CIA
Audit Manager

PHONE (610) 559-3186
FAX (610) 559-3137

TIMOTHY P. BRENNAN, ESQ.
Solicitor

**INDEPENDENT INTERNAL AUDITOR'S REPORT
ON AGREED-UPON PROCEDURES**

Members of the Northampton County Council
John Stoffa, County Executive
County of Northampton, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the County Executive solely to assist you with evaluating the County's Cash Collection Process in Health Choices for the period ended July 31, 2012. Management is responsible for the internal control over the cash collection process. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

1. **Procedure:** Review cash collection work assignments to determine if a proper segregation of duties is in place.

Findings: The segregation of duties in Health Choices provides for adequate control.

2. **Procedure:** Determine if deposits are made on the same day cash is received.

Findings: Checks received at Health Choices (five or less per year) are not being deposited on the day they are received; however, all receipts tested were deposited in the Revenue Division on the next working day.

3. **Procedure:** For departments with bank accounts:
 - a. Determine if bank reconciliations are done monthly and reviewed by a supervisor.
 - b. Agree account balances to IFAS.

- c. Select a sample of 5 receipts and verify that they were deposited on the same day and if possible, that the cash/check mix agrees to the validated deposit slip.
- d. Select a sample of 5 disbursements and examine the cancelled check to verify the payee, amount, and endorsement.

Findings:

- a. Bank reconciliations for the Health Choices checking account were completed monthly and were reviewed by a supervisor.
- b. All account balances agreed to IFAS.
- c. Testing results were noted in #2 above.
- d. Payments for Health Choices expense are made from the common account. Members of this staff are not responsible for writing checks or making withdrawals from this account.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the County's Cash Collection Process. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the County of Northampton, Pennsylvania 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.



Stephen J. Barron, Jr., CFE
County Controller

August 20, 2012

cc:

- A. Brace, Fiscal Officer, Health Choices
- D. Nunes, Coordinator, Health Choices
- C. Smith, F&I Systems Director, HS Adm.
- D. Hamann, Acting Director, Fiscal Affairs