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**INDEPENDENT INTERNAL AUDITORS' REPORT
ON APPLYING 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 the Division of Administrative Services as of June 30, 2013. Management is responsible for the internal control over the cash collection process. This Agreed-Upon Procedures engagement was conducted in accordance with 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 duties regarding collection work assignments for employee reimbursement of personal telephone calls are not segregated as to provide for proper internal controls over the receipt process with regard to recordkeeping, authorization, and asset custody.

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

Findings: Based on our testing of seven deposits, documentation for two items did not have enough information to determine if the deposits were made timely. Deposits for the remaining five items were made within a week.

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.

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- 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: This Division does not have any bank accounts.

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



Kathleen A. Kuzma, MBA, CPA, CGMA
Lead Auditor

October 18, 2013

CC: Thomas Harp, Director of Administration
Camille Bartlett, Director of Administrative Services