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**INDEPENDENT INTERNAL AUDITORS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Northampton County Council
John A. Brown, 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 Human Resources Department. Management is responsible for 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: Based on our review, proper segregation of duties appears to be in place. However, we did note that in one of the sample deposits from Procedure 2, the individual reviewing the deposit did not write the date of review under her signature.

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

Findings:

- For all five receipts, the amount of the deposit matched the Revenue receipt, and the cash/check breakdown agreed.
- We noted that payments by employees participating in Wellness programs are typically first sent to members of the Wellness Committee outside the Human Resources department. The committee members usually send all payments and

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supporting materials (list of participants and waivers, if applicable) to Human Resources at the conclusion of the sign-up period. The date that payment is received by the Wellness Committee member was not noted on check copies or on supporting materials. As a result, we could verify the time between receipt by Human Resources and deposit at Revenue, but the time for which payments were held by Wellness Committee members could not be determined.

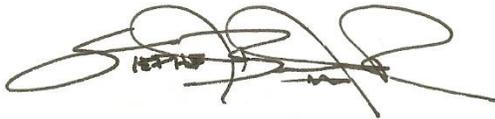
- Two deposits were made the day the deposit was received by Human Resources, or within a week if the deposit was less than \$25. Two deposits were not made in a timely manner. The timeliness of the fifth deposit could not be determined because the date of receipt was not stamped on the check copies or other supporting materials.

3. **Procedure:** For offices 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 disbursements and examine the cancelled check to verify the payee, amount, and authorized signer.

Findings: This office does not maintain a separate bank 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.



Stephen J. Barron, Jr., CFE
County Controller



Stephanie Rath-Tickle
Staff Auditor

December 17, 2014

CC: Lorraine Schintz, Deputy Director of Human Resources