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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 Department of Fiscal Affairs, Divisions of Financial Planning and Control, Geographic Information System (GIS) and Assessment. Management is responsible for internal control over the cash collection process. This Agreed-Up-On 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: Segregation of duties with regard to cash collection work assignments provides for adequate control.

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: The Financial Planning and Control division did not have any cash receipts. All receipts tested for Assessment were recorded through the Revenue registers on the day received or the next business day, and were deposited to the County's common account. The cash/check mix agreed to the Revenue register receipt. All receipts tested for GIS were recorded through the Revenue registers and were deposited to the County's common account. It could not be determined if GIS deposits were made on

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the date of receipt. The cash/check mix agreed to the Revenue register receipt.

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: These divisions do not have bank accounts and the staff is not responsible for writing checks, making withdrawals or performing bank reconciliations to the County's common 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



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

November 20, 2014

CC: J. Hunter, Fiscal Affairs Director
C. Johnson, Assessment Manager
J. Laky, GIS Analyst