



**STEPHEN J. BARRON, JR., CFE**

**CONTROLLER OF NORTHAMPTON COUNTY**

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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 for the Department of Corrections - Other Revenue which consists of federal reimbursement for housing illegal aliens, payments from the Social Security Administration for incarcerated inmates removed from social security rolls, telephone commission checks, DUI fees and other miscellaneous revenue as of March 31, 2014. 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:** The segregation of duties over the cash collection functions for this type of revenue in the Jail is adequate.

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

**Findings:** Receipts tested included checks, cash, and ACH transfers; all of which were submitted to the County Revenue Department for bank deposit and/or entry into the IFAS accounting system on the same day as received. However, checks received by the Jail were not being stamped with a "For Deposit Only – County of Northampton" restrictive endorsement at the time of receipt. This has since been corrected.

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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:** All of the Jail's receipts pertaining to Other Revenue are deposited into the County's common account; no outside bank accounts are used.

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

April 30, 2014

CC: A. Matos  
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D. Hamann  
M. Einfalt