



**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 in the Department of Public Works as of the period ended March 31, 2015. 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:** Segregation of duties with regard to cash collection work assignments provides for adequate control in all areas. However, procedures with regard to Farm Rental payments have not yet been centralized in the Revenue office.

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:** Deposits are not always made on the day cash is received.

In two Park Reservation transactions tested, deposits were made in the Revenue office and were deposited in a timely manner.

Of the two Farm Rental transactions tested, one was made the next business day but the other was deposited 7 business days after receipt.

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The final transaction tested was a deposit for scrap metal recycling in Parks which included money collected in August 2014 but not deposited until March 2015.

Vending machine receipts collected by Custodial could not be tested because they have not been collected since September 2013.

The cash/check mix agreed to the Revenue register receipt in three of the five transactions tested. Register receipts in the remaining two deposits did not specify if the items presented for payment were cash or check and could not be verified.

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

June 18, 2015

CC: Catherine Allen, Deputy Director of Administration  
James Hunter, Fiscal Affairs Director  
Stan Rugis, Public Works Director  
Gordon Heller, Superintendent of Parks & Recreation