



**RICHARD J. SZULBORSKI**

**CONTROLLER OF NORTHAMPTON COUNTY**

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**INDEPENDENT INTERNAL AUDITOR'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Northampton County Council  
Lamont G. McClure, Jr., County Executive  
County of Northampton, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the County Executive, on the County's Cash Collection Process in the Public Works Division as of August 31, 2018. County management is responsible for implementing internal controls over the cash collection process. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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, County management is not signing the deposit slips for scrap reimbursement as evidence of their review.

Consistent with past practice, funds from the sale of scrap metal at one County location were not turned over to the County, rather they were used at the discretion of the Supervisor. We determined that there are no County guidelines, policy or procedures for disposing of scrap. The Public Works Division is in the process of establishing a written procedure.

- 2. Procedure:** Select a sample of five receipts and verify that they were deposited on the same day as received and that the cash/check mix agrees to the validated deposit slip.

**Findings:** Deposits were made in a timely manner. One deposit slip did not have a validated bank deposit slip evidencing the date, time and amount of the deposit.

We determined that three Park reservation deposits were allocated to the wrong account. Journal entries have been made to rectify the transactions.

We could not find evidence of one park reservation receipt nor could we trace the deposit in IFAS.

The park reservation system does not cross reference an amended reservation. If the original reservation is paid and then changed to a different date, the amended reservation will not show the original balance paid.

- 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 five 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 conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on cash collection. Accordingly, we do not express such an opinion or conclusion. 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.



Richard J. Szulborski  
County Controller



Kathy M. Nesteder, CFE, CRMA  
Auditor II

September 26, 2018

cc: Stephen Barron, Director of Fiscal Affairs  
Michael Emili, Director Public Works  
Scott Parson, Deputy Director Public Works  
Mary Alice Einfalt, Accounting Manager