



FRANK S. KEDL, CIA
Audit Manager

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

PHONE (610) 829-6615
FAX (610) 559-3137

INDEPENDENT INTERNAL AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the Northampton County Council
Lamont 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 Fiscal Affairs Revenue Division as of December 31, 2017. 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: Overall, the segregation of duties provides for adequate controls over cash. This includes the satellite office at the Human Services Building. However, one area that is difficult to control is that clerks have the ability to go into the tax system and adjust individual balances without applying a payment through the register. This is necessary for exonerations, and other reasons that would cause a need for a record be altered. As a control, the Revenue Manager periodically runs a report of adjustments and reviews some of the adjustments to make sure that they were proper. She maintains a log of the days that she checks the report.

2. **Procedure:** Select a sample of 5 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: A sample of receipts was selected for testing that included receipts for both Revenue offices, and from both the Common and License bank accounts. All of the deposits were taken to the bank by armored car service the next business day. The cash/check mix on one duplicate deposit slip from the satellite office did not agree to the cash/check mix from the register reports; although, they did agree in total. All of the receipts were shown on the

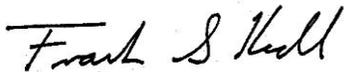
duplicate deposit slip as currency whereas the reports showed them all as checks. It was not possible to examine the validated deposit slip because unlike other County divisions, the Revenue Division does not send a duplicate deposit slip along to the bank for validation. A validated deposit slip from the bank should show any corrections to the makeup or total of the deposit.

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: The Revenue Division does not have responsibility for any bank accounts.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 the County's Cash Collection Process in the Fiscal Affairs Revenue Division as of December 31, 2017. 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.



Frank S. Kedl, CIA
Audit Manager



Paul L. Albert, CIA
Lead Auditor

January 17, 2018

cc: Stephen Barron, Director of Fiscal Affairs
Nancy Poplawski, Revenue Manager
Cindy Hoffer, Revenue Supervisor