



**County Controller**

Tony E. Bassil

**Audit Manager**

Anthony Sabino, CIA

**Solicitor**

Robert A. Nitchkey, Jr., Esq.

**County Executive**

Lamont G. McClure, Jr.

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Agreed-Upon Procedures  
Report

**CASH COLLECTION  
PROCESS -  
FARMLAND  
PRESERVATION**

As of July 31, 2020

**Office of the Controller  
County of Northampton  
Pennsylvania**



**TONY E. BASSIL**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
669 WASHINGTON STREET  
EASTON, PENNSYLVANIA 18042

**ANTHONY SABINO, CIA**  
Audit Manager

**PHONE (610) 829-6617**  
**FAX (610) 559-3137**

**ROBERT A. NITCHKEY, JR., ESQ.**  
Solicitor

**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 Farmland Preservation Division for the seven months ended July 31, 2020. 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:** Work assignments provide for an adequate segregation of duties. One individual receives and deposits the checks at the bank and prepares the documentation for posting to the County's financial system. The other individual reviews checks and compares them to the bank deposit receipt and the Daily Cash Summary or the Lonesome Cash sheets submitted to the Revenue Division, initialing the sheets as evidence of review. However, for the five receipts selected for testing, we noted that none of the Daily Cash Summary or Lonesome Cash sheets were initialed as evidence of this review. We clarified with the Farmland Preservation Administrator that the responsible individual may provide evidence of review even if he is not present on the day of deposit. The Administrator indicated that they will do this in the future.

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:** The five receipts selected for testing were comprised of two appraisals and three easements.

For the two appraisals selected, the documentation showed a received date but the deposits were not made the same day as received but rather were made 18 and 26 business days

after receipt. Due to the nature of the process, this is not unusual as appraisal checks are held until all necessary documentation is received. Undeposited checks are retained in a secure location.

For the three easements selected, only one had a received date indicated on the documentation. This one check was deposited seven business days later. It could not be determined if the deposits were made the same day for the other two checks since the received date was not indicated on any of the documentation. It was noted that one check was dated several weeks prior to deposit and the other check was dated three days prior to deposit. However, the date of the check is not necessarily an accurate indicator of the date of receipt. The Administrator explained that, as with appraisals, the time between the receipt of the check and the time it gets deposited varies due to the amount of processing that is required. Therefore, deposit delays are not necessarily indications of internal control deficiencies.

All receipts are in the form of checks. The check amounts agreed to the bank deposit receipt. Since the office only received checks, a bank validated deposit slip verifying the cash/check mix was not obtained.

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 ONESolution.
  - c) Select a sample of five disbursements and examine the cancelled check to verify the payee, amount and authorized signer.

**Findings:** The Farmland Preservation Division does not maintain any bank accounts.

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 the Cash Collection Process in the Farmland Preservation Division. 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.



Tony E. Bassil  
County of Northampton Controller  
Easton, Pennsylvania



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

September 9, 2020

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ON APPLYING AGREED-UPON PROCEDURES  
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cc: Stephen Barron, Director of Fiscal Affairs  
Charles Dertinger, Director of Administration  
Maria Bentzoni, Farmland Preservation Administrator