



County Controller

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Agreed-Upon Procedures
Report

**CASH COLLECTION
PROCESS -
PROCUREMENT**

As of August 31, 2020

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



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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 Procurement Division for the eight months ending August 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: The Purchasing Manager was interviewed and cash handling procedures were documented. Segregation of duties with regard to cash collection work assignments provides for adequate control.

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 Procurement Division receives checks from two sources – an annual office supply rebate and vending machine commissions from vending machines in various locations within the County. A sample of five receipts was selected, one check for the annual office rebate and four checks for vending machine commissions. These five receipts were all deposited on the day the checks were received. Receipts accepted by the Procurement Division are only in the form of checks. Therefore, there was no cash/check mix to validate.

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 Procurement 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 Procurement 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 14, 2020

cc: Stephen Barron, Director of Fiscal Affairs
Kathryn Anderson, Purchasing Manager