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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, on the County's Cash Collection Process in the Drug and Alcohol Division as of April 30, 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: The segregation of duties in place were reviewed and are proper except for the following:

- Deposits are not reviewed and initialed by someone other than the person preparing and making the deposit.

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 that the cash/check mix agrees to the validated deposit slip.

Findings: A sample of five deposits was selected; two of the deposits selected included multiple receipts. Deposits were not made on the day the cash was received for three deposits. The cash/check mix was reviewed and agreed to the validated deposit slip for four of the five deposits tested. In the remaining deposit, the validated deposit slip total matched but the cash/check mix did not agree.

The Drug and Alcohol Division updated their internal policies and procedures in the middle of the sample period selected for testing. During this time duties were distributed to different staff. All deposit findings included in this section occurred before the policies and procedures were updated.

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 Drug and Alcohol Division does 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.

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 Drug and Alcohol Division as of April 30, 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.



Stephen J. Barron, Jr., CFE
County Controller



Stacy Duke
Staff Auditor

May 25, 2017

cc: James Hunter, Director of Fiscal Affairs
Catherine Allen, Director of Administration
Allison Frantz, Director of Human Services
Tiffany Rossanese, Drug and Alcohol Administrator
Tabatha Gartner, Drug and Alcohol Fiscal Officer