



**STEPHEN J. BARRON, JR., CFE**

**CONTROLLER OF NORTHAMPTON COUNTY**

NORTHAMPTON COUNTY COURTHOUSE  
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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 Deputy Court Administrator solely to assist you with evaluating the cash balances of Magisterial District Court 03-2-04 for the period ending July 25, 2016. The management of Magisterial District Court 03-2-04 is responsible for maintaining and reconciling the cash balances. This Agreed-Upon Procedures engagement was conducted in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Procedures and Findings**

1. **Procedure:** Perform a proof of cash reconciliation to the 12/31/15 and 7/31/16 bank statements.
  - a. Reconcile bank balance to undisbursed receipts
  - b. Verify that outstanding checks and deposits in transit cleared on subsequent bank statements.
  - c. Verify that bank accounts are properly reconciled.

**Findings:** The bank account was properly reconciled for all months tested but the responsibility for performing the reconciliation was not rotated properly. The bank balance was reconciled to the undisbursed funds balance as of 12/31/15 and 7/31/16. All outstanding checks for 12/31/15 cleared on the following year bank statements or were escheated to the County, though twelve checks escheated were over one year old. Due to the timing of fieldwork most outstanding checks for 7/31/16 remain outstanding. The checks were not outstanding for one year and are not required to be escheated at this time.

2. **Procedure:** Verify that funds collected during the 1/1/15 through 7/25/16 were deposited in the bank on the day of receipt.

**Findings:** All bank deposits were made on the same day that the receipts were collected. Validated bank deposit tickets equaled the Daily Cash Balancing Report total.

3. **Procedure:** Reconcile the petty cash fund and verify that transactions are processed in accordance with County Policies and Procedures.

**Findings:** There were three petty cash vouchers that did not include a signature of approval and one voucher that did not include the signature for the person receiving the cash. In addition, the petty cash fund was \$.10 over the authorized amount and the year-end petty cash request was not properly performed for 2015.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the cash balances maintained by Magisterial District Court 03-2-04. Accordingly, we do not express such an opinion. 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 L. Duke  
Staff Auditor

October 12, 2016

cc: D. French, Deputy Court Administrator  
Magisterial District Court #03-2-04