



STEPHEN J. BARRON, JR., CFE

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

FRANK S. KEDL, CIA
Audit Manager

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

TIMOTHY P. BRENNAN, ESQ.
Solicitor

**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 of Northampton's Administration solely to assist you with evaluating the Hotel Room Rental Tax Remittances from License #101 – Hotel Bethlehem for the period January 1, 2015 to December 31, 2016. Management is responsible for ensuring that Operators within Northampton County are collecting this tax from their guests and that Operators remit the tax they collect to the County. 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: Determine if proper remittance forms are being used and completed correctly.

Findings:

- The proper forms were used for 2015 and 2016.
- The forms were signed, dated and submitted on a timely basis.

2. Procedure: Determine that late payment penalties are assessed for delinquent payments and collected in a timely fashion by the Revenue Division.

Findings:

- All payments were made on time, there were no delinquent payments and no interest was calculated.

3. Procedure: Determine if taxable revenues, exempt revenues and taxes due as reported are accurate.

- Where the population of exemptions claimed by a hotel is 200 or more in the period being reviewed, a sample of exemptions not to exceed 50 will be tested.
- Underpayment or overpayment of hotel tax by operators of \$5 or less determined during the audit will be considered immaterial and will not be collected from or paid to the hotel operators.

Findings:

- There were no exemptions in 2015 or 2016.
- The hotel made an error in the amount of revenue they reported for January 2015. They reported \$347,933.75 and based on their hotel records, they should have reported \$347,809.38. This represents an overpayment of \$4.97. As noted above, this is deemed immaterial and will not be paid to the hotel operator.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Hotel Room Rental Tax Remittances from License #101 Hotel Bethlehem for the period January 1, 2015 to December 31, 2016. 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



Kathy M Nesfeder, CFE, CRMA
Staff Auditor

September 22, 2017

cc: J. Hunter, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
T. Herrlinger, Director of Department of Community and Economic Development
K. Collis, Community and Economic Development Specialist