



**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 Executive, on the County's Cash Collection Process in the Juvenile Justice Center Division as of June 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 regarding cash collection work assignments in the Juvenile Justice Center provides for adequate control over cash.

2. **Procedure:** Select a sample of 5 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:** Deposits are not made the day cash is received. With regard to deposits to the County's common bank account, it was observed that the Accountant only goes to the Government Center two times a week; therefore, deposits could be delayed a few days. With regard to deposits to the Juvenile Resident bank account, deposits are not made the day cash is received. The office is not depositing cash received when the accumulated balance reaches \$5 as per their office policy. Deposits are also not always being made when the accumulated balance reaches \$25 per suggested guidelines.

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 Juvenile Justice Center has responsibility for one bank account for Resident Funds. Cash in the juvenile's possession, when they are brought in through intake, is deposited in this account until their release. Following is a summary of findings from testing performed.

- a) Bank reconciliations are performed for each monthly bank statement and are reviewed by a supervisor. It was observed that supervisory review was not timely for one of the six reconciliations tested.
- b) The adjusted book balance per the bank reconciliation was in agreement with the cash balance on IFAS.
- c) Cancelled checks are not returned with the bank statement and images of the face of the check are not part of the bank statement. Therefore, the payee, amount and authorized signer could not be observed per the cancelled check and compared to the carbon copy of the check in the check book.

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 Juvenile Justice Center Division as of June 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



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

August 29, 2017

cc: Catherine Allen, Director of Administration  
James, Hunter, Director of Fiscal Affairs  
Jermaine Green, Court Administrator  
Stephen Tone, Director, Juvenile Justice Center  
Badaoui Boulos, Accountant, Juvenile Justice Center