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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 Division of Juvenile Probation 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: For the most part, the segregation of duties regarding cash collection work assignments in Juvenile Probation provides for adequate control over cash. However due to changes in procedures with regard to IV-E checks received, controls could be tightened if the Chief was included in the email notification of the receipt of these funds.

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: Adequate documentation was not available to determine if deposits were made the day cash was received. The copies of the checks are not date stamped when received. However, it is the policy of the office to take deposits to the Revenue Office two or three times a week. As stated by the office, the maximum amount of time a check would be held for deposit is three days. It was observed that one of the five items inspected showed that a check dated March 21, 2017 for \$27.92 was not deposited until June 8, 2017 as a result of not being able to identify the applicable juvenile account.

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3. **Procedure:** For offices with bank accounts:
- Determine if bank reconciliations are done monthly and reviewed by a supervisor.
 - Agree account balances to IFAS.
 - Select a sample of 5 disbursements and examine the cancelled check to verify the payee, amount, and endorsement.

Findings: This Division does not have the responsibility for any bank accounts.

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 County's Cash Collection Process in the Division of Juvenile Probation 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
Matthew Garvey, Chief Juvenile Probation Officer
Badaoui Boulos, Accountant, Juvenile Probation