



RICHARD J. SZULBORSKI

CONTROLLER OF NORTHAMPTON COUNTY

NORTHAMPTON COUNTY COURTHOUSE
669 WASHINGTON STREET
EASTON, PENNSYLVANIA 18042

PAUL L. ALBERT, CIA
Audit Manager

MICHAEL P. SHAY, ESQ.
Solicitor

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

**INDEPENDENT INTERNAL AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Members of the Northampton County Council
Lamont G. McClure Jr., 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 Department of Human Resources for the seven months ended April 30, 2019. 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 analyzed and it was determined that all duties are not adequate. Deposits are not always reviewed and initialed by someone other than the person preparing and making the deposit. Also, we found in testing that when deposits were reviewed, the reviewer did not consistently include their initials and date as documentation of the review.

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: A sample of five receipts was selected for testing that included receipts for a variety of funds received. Of these five receipts tested,

- Three receipts were not deposited the day cash was received.
- One receipt did not have adequate documentation to determine if the funds were deposited on the day the funds were received.
- Funds for Wellness events are collected and secured by a Wellness Committee member until the event sign-up period ends. After the sign-up period, the funds are

deposited in Revenue and all documentation is provided to Human Resources where a reconciliation is performed.

- The cash/check breakdown for four of the deposits agreed to documentation. For the remaining deposit, the breakdown could not be determined because it wasn't recorded for copier fees received.

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 ONESolution.
- c) Select a sample of 5 disbursements and examine the cancelled check to verify the payee, amount and authorized signer.

Findings: The Department of Human Resources does not have responsibility for any bank accounts.

We conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards. 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 Department of Human Resources. 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.



Richard J. Szulborski
County Controller



Stacy L. Duke
Staff Auditor

June 14, 2019

cc: Stephen Barron, Director of Fiscal Affairs
Elizabeth Kelly, Director of Human Resources
Kathleen McNeil, Deputy Director of Human Resources