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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 of Northampton's Administration solely to assist you with evaluating the Hotel Room Rental Tax Remittances from License #149 – Shady Acres Campground for the period January 1, 2012 to December 31, 2013. 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 postmarked by the 20th of each month.

Findings: This Operator remits on a quarterly basis for the 1st – 3rd quarters of the year, and is not in operation for the 4th quarter. We reviewed all six remittance forms for the period under review and found:

- The Operator continued to remit the version of the form revised January, 2011 after the form was updated in May, 2013. However, the information required by these forms is identical, and the only update to the May, 2013 version was an explanation of Line 12 – Late Payment Penalty.
- In all quarters for which a remittance form was submitted, one or more of the following lines was left blank:
 - Line 3 – Capacity
 - Line 8 – Taxable Revenues
 - Line 9 – Tax Due from Taxable Revenues
 - Line 10 – Actual Tax Collected

- Line 11 – Tax Due
- Line 12 – Late Payment Penalty
- Line 13 – Total Due
- In three quarters, the remittance was filed after the 20th of the month.

2. **Procedure:** Determine if gross revenues, exempt revenues and taxes due as reported are accurate.

Findings:

- This Operator did not claim any exemptions for the period under review.
- In five quarters, gross revenue and taxes due reported to the County matched the Operator's records. In the remaining quarter, gross revenue and taxes due reported to the County were greater than the Operator's records by \$50 and \$2, respectively.
- Due to the nature of the Operator's records, which consisted solely of receipt slips, we were unable to determine whether the discrepancy above was the result of a miscalculation by the Operator or due to a missing receipt slip. Because amount of the discrepancy was immaterial, and remittances for all other quarters were accurate, no credit or penalty will be assessed.

3. **Procedures:** Determine if interest is calculated accurately and assessed for delinquent payments.

Findings: Because calculated interest on each of the three late payments was less than \$1.00, the Revenue Division did not assess late payment penalties.

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 #149 – Shady Acres Campground for the period January 1, 2012 to December 31, 2013. 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



Stephanie Rath-Tickle
Staff Auditor

October 31, 2014

cc: J. Hunter, Director of Fiscal Affairs
N. Poplawski, Revenue Manager
L. Sywensky, Community Development Administrator