

CITY OF ALLENTOWN

**Bank Reconciliation Review
For the month end date: 10/31/2022**

Date of Report: January 11, 2023

OBJECTIVE

The objective of the monthly bank reconciliation review is to verify that bank transactions are complete, timely and accurately reported on the City of Allentown's accounting records for financial reporting purposes. It is also to determine whether the bank reconciliation prepared, and their corresponding schedules comply with the requirements of the policies, guidelines, and procedure outlined in the AIMS and to identify any areas for improvement.

PROCEDURES

A review of all the bank reconciliations prepared for the period tested including a review of the supporting schedules, outstanding items, and their corresponding documentation.

of bank reconciliations prepared: 32

\$ Amount of the bank reconciliations reviewed for the period: \$123,698,492.58

AGING OF OUTSTANDING ISSUES

ISSUE #	ISSUE	MONTH ISSUE FIRST APPEARED ON A BANK RECONCILIATION	MONTHS OUTSTANDING AS OPEN ISSUE ON THE BANK RECONCILIATION AUDIT REPORT	ORIGINAL AUDIT REPORT DATE
1	Checks Not on ARP	09/2022	0	01/11/2023
2	Checks Not Voided on ARP	04/2019	31	08/16/2019

FINDINGS, RECOMMENDATIONS AND ADMINISTRATION'S RESPONSES

NEW ISSUE

1. Checks Not on ARP

For some bank accounts, the outstanding check listings are maintained by the bank. They are referred to as the ARP.

1 (one) check totaling (\$4,950.00) was identified on the AP bank reconciliation as not posting to the bank's ARP.

If the errors are not communicated to the bank the ARP will not list the checks as outstanding on the ARP.

Recommendation

Bank Errors should be communicated to the bank on a timely basis to insure they are corrected, and that the ARP is a valid reflection of outstanding checks.

Administration's Response

The administration diligently communicates with the bank. Due to technical difficulties on the bank portal, some of these checks are not listed as outstanding. Per our communication with the bank, they are researching and are working towards rectifying this matter.

PREVIOUSLY REPORTED ISSUE

Changes to Previously Reported Issues (Last Report Date)

2. Checks Not Voided on ARP

We identified:

- 12 (twelve) checks totaling \$82,122.65 voided on the AP Cash Sub and EDEN but not on the ARP.
- 3 (three) checks totaling \$1,326.01 voided on the Payroll Cash Sub and EDEN but not on the ARP.

Original Issue (Original Report Date 08/16/19)

We identified 3 checks totaling \$32,657.55 voided on the AP Cash Sub and EDEN but not on the ARP.

Recommendation

To provide a proper bank audit trail, voids should be posted on the Bank's ARP on a timely basis.

Administration's Response

We agree and will put a process in place to correct this. These have been corrected but won't appear on the ARP until February.