

CITY OF ALLENTOWN

Status Review of the 2020 Accounts Receivable (AR) Over \$10K – RISK Audit Report

Date of Report: February 08, 2024

Accounts Receivable (AR) is money owed to the City of Allentown but not yet paid for by its constituents and/or customers. In 2021, The Controller's Office issued the 2020 Accounts Receivable (AR) Over \$10K – HUMAN RESOURCE (HR) Audit Report.

In May, 2022, RISK began managing and became responsible for Retiree AR and in January 2024, RISK will be responsible for all Benefits Administration.

The Controller's Office completed review procedures to follow up on the audit issues identified by requesting documentation to determine and support the status of each recommendation.

The title for each of the audit issues is listed along with a summary of each finding, the recommendation, and the status of the recommendation.

The status of the audit issue recommendation is classified as one of the following:

- **Implemented:** Administration fully implemented the recommendation, either as originally described in the audit report or in a manner that resolved the issue.
- **In Progress:** Administration has begun to implement the recommendation and intends to complete the implementation process.
- **Not Implemented:** Administration has not taken action to implement the recommendation.

The original audit report contained 8 (eight) audit issues.

OBJECTIVE

The objective of the review was to:

- Verify the implementation of the response provided by Administration to the 2021 audit report.
- Reviewing the current Retiree AR over \$10K and determining the reasonability of collection of the AR and identifying any areas for improvement.

PROCEDURES

Our process began by:

- Reviewing the audit issues identified in 2021 and requesting documentation to determine and support the status of each recommendation.

- Running the current EDEN AR report and identifying all accounts with a balance over \$10K. Using the list, the AR was categorized by type of service provided by the City and reviewed.

FINDINGS, RECOMMENDATIONS AND RESPONSES

Status of Original Issue(s)

Original Issue #	Original Issue Description	Current Status
1	Unpaid Retiree Payments for Health Care Coverage	Implemented
2	Accuracy of AR	Implemented
3	Weak AR Review	Implemented
4	Retiree Portion of the Total Premium Does Not Agree to EDEN AR	Implemented
5	Lack of COBRA Letters	Implemented
6	Lack of Approval of Personnel Policy Manual Change	Implemented
7	Lack of Interest/Penalty Assessment	Implemented
8	Contract Weakness	Implemented