

CITY OF ALLENTOWN

ACCOUNTS RECEIVABLE OVER \$10K – COMMUNITY & ECONOMIC DEVELOPMENT (CED)

Date of Report: February 02, 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 – COMMUNITY & ECONOMIC DEVELOPMENT (CED) Audit Report.

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

The title for each of the audit issue(s) 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 3 (three) 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 CED 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 Outstanding Original Issue(s)

Original Issue #	Original Issue Description	Current Status
1	Demolitions	Implemented
2	Aged AR	Not Implemented
3	Lack of Documentation in EDEN	Implemented

1. Aged AR

As of 05/24/2020, we identified 1 (one) AR for **\$22,080.00** for illegal dwelling units.

The initial assessment made in 2013 was for **\$11,500.00**. The remainder **\$10,580.00** was for penalties and interest. No payments have been made since the initial assessment. The property was not liened.

Additionally, the property was not flagged for AR Review, and it is unclear whether the balance is collectable.

Recommendation

To protect the City from potential loss due to the sale or transfer of the property, death, etc., properties should be liened as outlined in the City Code, Section 907.02 Failure to Comply.

BUILDING STANDARDS & SAFETY should consult with LAW to determine if there is any other way to protect the City from potential loss.

BUILDING STANDARDS & SAFETY should obtain AR Review training from FINANCE to insure items do not become stale and are collectable.

2021 Administration's Response

This specific aged AR issue dates back to 2013. BS&S will consult with Law to determine if the balance is collectable and if a lien can be filed. It is unclear what happened here more than 8 years ago. BS&S does not need training since there have not been repeated occurrences of these matters.

2023 Administration's Response

The position of Director of Building Standards and Safety was appointed in July of 2021 and the position of Housing Supervisor in August of 2021. There are no managerial staff who are presently here that were here then when this failure to lien occurred. We also do not have any recollection of this matter being brought to our attention in our current positions until now.

Now that we have been made aware, we will investigate the current status of this property and if possible and legal, apply the lien. We will report back to the Controller's office in 30 days with the status.