

CITY OF ALLENTOWN

**Bank Reconciliation Review
For the month end date: 01/31/2023**

Date of Report: May 09, 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: \$118,216,929.81.

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 Issued Not on ARP	12/2022	0	05/09/2023
2	Outstanding Deposit in Transit	11/2022	1	03/16/2023
3	Checks Not Voided on ARP	04/2019	34	08/16/2019

FINDINGS, RECOMMENDATIONS AND ADMINISTRATION'S RESPONSES

NEW ISSUE

1. Checks Issued Not on ARP

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

2 (two) checks totaling (\$4,447.02) were 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

These items were not checks. They are single use access (SUA) cards issued from Paymode-X that have not been redeemed yet and would not be on the ARP from the bank. The Administration suggests that in the future they should be listed as outstanding SUA cards and not checks on the reconciliation to avoid confusion.

This is a timing issue and has subsequently been resolved.

Changes to Previously Reported Issues (Last Report Date)

2. Checks Not Voided on ARP

We identified:

- 5 (five) checks totaling \$9,471.88 voided on the AP 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.

3. Checks Not Voided on ARP (03/16/2023)

We identified an outstanding Central Treasury deposit of \$27.21 from 11/2022.

Recommendation

The outstanding deposit should be investigated and resolved.

Administration's Response

This was a timing issue. The administration learned about the outstanding deposit and corrected immediately.