

CITY OF ALLENTOWN

Bank Reconciliation Review For the month end date: 07/31/2025

Date of Report: December 10, 2025

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 City bank reconciliations prepared: 35

\$ Amount of the City bank reconciliations reviewed for the period: \$134,532,034.43.

of Non-City Controlled bank reconciliations prepared: 3

\$ Amount of the Non-City Controlled bank reconciliations reviewed for the period: \$1,239,488.77.

SPECIAL NOTE

The City of Allentown converted the Tyler AP platform from EDEN to Munis in March 2025. The Outstanding checks under 3 years old in EDEN were transferred to Munis. 18 (eighteen) checks totaling **\$20,566.58** were over 3 years old and although listed on the Banks's ARP, could not be systemically transferred to Munis and therefore must be manually tracked.

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	Unexplained Differences on the Accounts Payable (AP) ARP	06/2025	0	12/03/2025
2	Checks Not Voided on ARP	03/2025	3	11/05/2025
3	Bank Reconciliations Not Completed Within Standard	03/2025	3	11/05/2025
4	Unreconciled Difference on the Bank Reconciliation	02/2025	5	04/11/2025

FINDINGS, RECOMMENDATIONS AND ADMINISTRATION'S RESPONSES

Previously Reported Issues Revised

1. Unexplained Differences on the Accounts Payable (AP) ARP (12/03/2025)

The bank AP ARP provide totals for the various categories of check status: Checks issued, checks cashed, checks voided, etc. These totals are supported by the check detail which should equal the amount of the total.

When reconciling, the detail helps to identify the reconciling items and the reason.

For July 2025, we noted the following discrepancies:

ARP Category	ARP Total \$	ARP Detail \$	Difference \$
Adjustment to Prior Outstanding on ARP	\$1,565.34	0.00	\$1,565.34
Outstanding Total	\$2,819,983.39	\$2,820,030.36	(\$46.97)

Recommendation

Administration should reach out to the Bank for a proper explanation of the differences.

Administration's Response

We will reach out to the bank to understand the differences.

2. Checks Not Voided on ARP (11/05/2025)

We identified 1 (one) check totaling **\$1,513.98** voided on the AP Cash Sub but not on the ARP or Munis.

Recommendation

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

Administration's Response

This check was voided in Eden as of 3/3/25 but was caught in an overlap in the transition to Munis. It was voided in Munis and removed from the ARP as of September.

Previously Reported Issues Unchanged

3. Untimely Completion of Bank Reconciliations (11/05/2025)

Effective 5/20/2020, Treasury's standard for completion of bank reconciliations is 2 months.

For the month of March 2025, the bank reconciliations were not completed until October 2025.

Recommendation

Bank reconciliations should be completed within the bank reconciliation standard of 2 months.

Administration's Response

Due to the implementation of Munis in March of 2025 as well as turnover in the Finance office, the bank reconciliation process has changed, and many kinks needed to be worked out. Once we are back up to date with 2025's reconciliations, we should be able to continue to reconcile within the 2-month window.

4. Unreconciled Difference on the Bank Reconciliation (04/11/2025)

The Payroll bank reconciliation has an unreconciled difference of \$0.50. It is unknown why there is a difference.

Recommendation

Administration should revisit the reconciliation, and the difference should continue to be researched and if not reconciled within a reasonable time, the difference should be adjusted on the books.

Administration's Response

This had to do with a void and special pay that we are looking to reconcile on the Feb bank rec.