

CITY OF ALLENTOWN

Bank Reconciliation Review For the month end date: 11/30/2024

Date of Report: January 30, 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: 32

\$ Amount of the City bank reconciliations reviewed for the period: \$132,466,072.23.

of Non-City Controlled bank reconciliations prepared: 3

\$ Amount of the Non-City Controlled bank reconciliations reviewed for the period: \$219,537.85.

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 Voided on ARP	08/2024	1	01/27/2025
2	Checks Issued Not on ARP	02/2023	76	06/15/2023

FINDINGS, RECOMMENDATIONS AND ADMINISTRATION'S RESPONSES

Changes to Previously Reported Issues (Last Report Date)

1. Checks Not Voided on ARP

We identified:

- 3 (three) checks totaling **\$6,049.02** 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

These checks were missed in our voided check reconciliation process however as soon as we discovered the error, we submitted a cancellation of these checks with the bank.

2. 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.

- 1 (one) check totaling **\$27,825.00** 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

There was a situation in February where a check run file on 2/24 did not upload correctly to the bank's ARP. Once we realized this error, communication was initiated with the bank to resolve.