



November 15, 2017

The Board of Commissioners and Management
of Wake County, North Carolina

This letter is to explain our understanding of the arrangements for, and the nature and limitations of, the services we are to provide for Wake County (the County). We will perform specific agreed upon procedures related to the County's processing of revenue and cash receipts for the period from July 1, 2017 through November 30, 2017 (the Period). Our procedures will be applied to certain cash collection sites within the County as described below.

We will apply the agreed-upon procedures listed below that were specified and agreed to by the County. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures to be performed is solely the responsibility of the County. Consequently, we make no representation regarding the sufficiency of the procedures described below or the content of the attachments to this engagement letter, either for the purpose for which the agreed upon procedures report has been requested or for any other purpose. Because the agreed-upon procedures listed below do not constitute an examination or an audit performed in accordance with generally accepted auditing standards, we will not express an opinion on any of the specific elements, accounts, or items referred to in our report or on the financial statements of the County taken as a whole.

The specific procedures to be performed are as follows:

1. We will perform the following procedures for at least seventy-one (71) of the one hundred and seven (107) cash collection sites listed in *Attachment 1* (the sites) as determined by the County:
 - a. Obtain management's written responses to the questionnaire at *Attachment 2* regarding processes and procedures surrounding revenue and cash receipts.
 - b. Observe selected revenue and cash receipt transactions that occurred during the Period and compare our observations to the written responses described in procedure 1a.
2. For each site subject to procedures 1 a and b, we will identify (as applicable) those processes and procedures described in *Attachment 2* which could not be observed as being in place.
3. Based on the results of procedures 1 and 2, we will prepare a letter detailing our findings and recommendations.

At the conclusion of our engagement, we will submit a report in letter form outlining the procedures performed and our findings resulting from our procedures.

Our report will contain a statement that it is intended solely for the use of the County, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. An agreed upon procedures engagement is not designed to detect instances of fraud or noncompliance. The County is responsible for maintaining effective internal controls over revenue and cash collections at the sites.

Our report will also contain a paragraph pointing out that if we had performed additional procedures or if we had conducted an examination or an audit in accordance with generally accepted auditing standards, matters in addition to any findings that may result from the procedures performed might have come to our attention and been reported to you.

Fees

We estimate that our fee for these services will range from \$114,500 to \$168,100 depending on the number of sites for which the agreed upon procedures will be performed, ranging from a minimum of seventy-one (71) to a maximum of one-hundred and seven (107). Our fee estimate is based on anticipated cooperation from County personnel and the assumption that unexpected circumstances will not be encountered during the work performed.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Very truly yours,

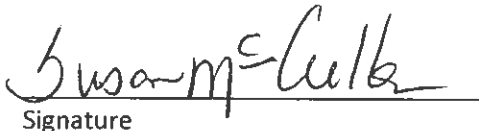
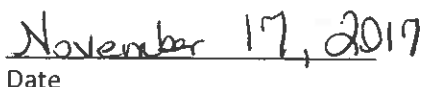
ELLIOTT DAVIS, PLLC



Thomas J. McNeish, CPA
Shareholder

RESPONSE:

This letter correctly sets forth the understanding of Wake County


Signature
Title
Date

Cash Collection Sites

Attachment 1

Row Labels	Department	LOCATION CODE	BANK	COLLECTION SITES	Count of TYPE OF COLLECTION SITE
Multi collection site	FINANCE DEPARTMENT	2211/2291	PNC	COMMUNICATIONS	1
				COUNTY ATTORNEY	1
				COUNTY MANAGER	1
				EMS	1
				ENV SERVICES - POOL PERMITS	1
				FINANCE DEPT	1
				FIRE & EMERGENCY MGMT	1
				HOUSING	1
				HUMAN RESOURCES-PAYROLL	1
				INFORMATION SVCS	1
				WORKFORCE DEVELOPMENT	1
				FACILITIES DESIGN & CONST	1
	GENERAL SERVICES	4401/4491	PNC	CENTRAL	1
				FACILITY & FIELD SERVICES	1
				FLEET	1
				PHYSICAL PLANT	1
				SECURITY	1
	HUMAN SERVICES	4609	PNC	CLIENT ACCOUNTING	1
				CLINIC A - STD/HIV	1
				CLINIC C - CHILD HEALTH	1
				CLINIC D - DENTAL	1
				CLINIC E - PREVENTION SVCS/IMMUNIZATIONS	1
				CLINIC F - FAMILY PLANNING	1
				CLINIC G - PRENATAL	1
				ENV SVCS LAB	1
				MATERNAL HEALTH	1
				PHARMACY	1
				CONSUMER RECORDS	1
				DAILY GRIND	1
	PLANNING/DEVELOPMENT/INSPECTIONS	4030	PNC	PINK RIBBON FUND RAISING-ANNUAL	1
				MEDICAID OFFICE - NC HEALTH CHOICE	1
				COMMUNITY SVCS	1
	REGISTER OF DEEDS	3010	PNC	ENV SVCS	1
				RECORDING	1
				VITAL RECORDS	1
	SHERIFF DEPARTMENT	5001	PNC	JUDICIAL/CIVIL PROCESS	1
				MANAGEMENT SERVICES	1
				PERMITS	1
Multi collection site Total					38
Single collection site	BOARD OF ELECTIONS	1610	PNC	ELECTIONS	1
		4050	PNC	GIS	1
	COMMUNITY SERVICES	4020/4099	PNC	CS - ADMIN	1
				ANIMAL CONTROL	1
	COMMUNITY SVCS	4202	WELLS FARGO	HOMELESS SHELTER	1
		4603	PNC	PROGRAM INTEGRITY	1
	ENVIRONMENTAL SERVICES	4605	PNC	CHILD SUPPORT	1
		4606	PNC	SUPPORTIVE HOUSING	1
		4607	PNC	IHD - INCENTIVE HOUSING DORMITORY	1
		4608	PNC	ADULT TEAMS	1
		4610	PNC	BUDGET/FINANCE OFFICE	1
		4611	PNC	NC HEALTH CHOICE	1
		4612	PNC	TRANSPORTATION	1
		4613	PNC	VOCATIONAL SERVICES	1
		4614	PNC	MATERNAL HEALTH	1
		4616	PNC	COOPERATIVE EXTENSION	1
	PARKS & RECREATION	1120/4601	WELLS FARGO	OAKVIEW PARK	1
		4021	PNC	LAKE CRABTREE PARK	1
		4022	PNC	BLUE JAY POINT	1
		4023	PNC	CROWDER PARK	1
		4024	PNC	HARRIS LAKE	1
		4025	PNC	YATES MILL	1
		4027	PNC	CAMERON VILLAGE LIB	1
		4061	PNC	HARRISON LIB	1
	PUBLIC LIBRARY	4062	PNC	OLIVIA RANEY LIB	1
		4063	PNC	EVA PERRY LIB	1
		4065	PNC	HOLLY SPRINGS LIB	1
		4066	PNC	WAKE FOREST LIB	1
		4067	PNC	ZEBULON LIB	1
		4068	PNC	WENDELL LIB	1
		4069	WELLS FARGO		1

Cash Collection Sites

Attachment 1

Row Labels	Department	LOCATION CODE	BANK	COLLECTION SITES	Count of TYPE OF COLLECTION SITE
	PUBLIC LIBRARY	4070	WELLS FARGO	EAST REGIONAL LIB	1
		4071	PNC	NORTH REGIONAL LIB	1
		4072	PNC	DURALEIGH ROAD LIB	1
		4073	PNC	EXPRESS LIBRARY-FAYETTEVILLE ST. LIB	1
		4074	PNC	GREEN ROAD LIB	1
		4075	PNC	SOUTHEAST REGIONAL LIB	1
		4076	PNC	FUQUAY VARINA LIB	1
		4077	PNC	SOUTHGATE COMMUNITY LIBRARY - LIB	1
		4078	PNC	CARY LIB	1
		4079	PNC	West Regional -LIB	1
		4080	PNC	ATHENS DRIVE LIBRARY LIB	1
		4091	PNC	NORTHEAST REGIONAL LIB	1
		4120	PNC	MIDDLE CREEK LIB	1
		1431/4087	WELLS FARGO	LEESVILLE LIB	1
	4085/1430	PNC/WELLS FARGO	BOOK SALE - LIB	1	
	PUBLIC SAFETY	4940	PNC	CCBI	1
		3701	PNC	BEER & WINE	1
	REVENUE DEPARTMENT	3718	PNC	SPECIAL EVENTS	1
		7000	PNC	PROPERTY TAX	1
	REVENUE/HUMAN SVCS	3702/3703/3719/3720	PNC	GROSS RECEIPTS	1
		3709	PNC	NORTHERN REGIONAL CENTER	1
		3716	PNC	EASTERN REGIONAL CENTER	1
		3717	PNC	SOUTHERN REGIONAL CNTR	1
	SOLID WASTE	4201	PNC	SOLID WASTE - ADMIN	1
		4210	PNC	SOUTH WAKE LANDFILL	1
			4212	WELLS FARGO	EAST WAKE TRANSFER STATION
Single collection site Total					56
Contractor	GENERAL SERVICES	4402	PNC	MCLAURIN PARKING	1
	PUBLIC SAFETY	5304	WELLS FARGO LOCKBOX	MCKESSON	1
	SHERIFF DEPARTMENT	5002	PNC	AT ALLEN	1
		5059	PNC	RANGE SAFETY MGMT	1
Contractor Total					4
Municipal partner	PLANNING/DEVELOPMENT/INSPECTIONS	4031	SUNTRUST	ROLESVILLE	1
		4032	WELLS FARGO	WENDELL	1
		4033	PNC	ZEBULON	1
	REVENUE DEPARTMENT	3707	SUNTRUST	APEX COLLECTIONS	1
		3708	FIRST NATIONAL	HOLLY SPRINGS	1
		3710	SUNTRUST	ROLESVILLE COLLECTIONS	1
		3713	WELLS FARGO	CARY COLLECTIONS	1
		3714	WELLS FARGO	KNIGHTDALE COLLECTIONS	1
		3715	WELLS FARGO	GARNER COLLECTIONS	1
Municipal partner Total					9
Grand Total					107

Cash Receipts Fact Sheet

Dept/Division Name: _____
 Cash Collection Site #s _____
 Completed By: _____
 Date Completed: _____

List all of the revenue sources for which the Dept/Division collects funds.

The revenue sources should be listed in groups. Sources should be listed in the same group if the billing/collections for the sources are processed substantially the same way by substantially the same people.

For example, if collections of several types of fees are substantially processed the same and the same personnel are involved in the process, those revenue sources should be grouped together.

Complete a separate Cash Controls Questionnaire for each group using Group A, B, C worksheets

If Dept has documented cash collection procedures, please attach & send.

Group A:

Source of Revenue (e.g. library fees, clinic fees)	System(s) used to process Revenue Sources	Currency, Checks, ACH, and/or Credit/Debit Cards?	Approximate Annual Amount (\$)	Staff Names/Position #s/Roles for Group A
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Group B:

Source of Revenue (e.g. library fees, clinic fees)	System(s) used to process Revenue Sources	Currency, Checks, ACH, and/or Payment Cards?	Approximate Annual Amount (\$)	Staff Names/Position #s/Roles for Group B
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Group C:

Source of Revenue (e.g. library fees, clinic fees)	System(s) used to process Revenue Sources	Currency, Checks, ACH, and/or Payment Cards?	Approximate Annual Amount (\$)	Staff Names/Position #s/Roles for Group C
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CASH CONTROLS QUESTIONNAIRE /Group A

Attachment 2

Name and position of person completing form: _____

Date Completed: _____

Control Descriptions	Is control used? (Enter "X" to indicate)			Describe how and when the control, or alternative control, is performed. Response is required unless you answered N/A to any of the questions	Name(s) of Person(s) Who Performs Control
	Yes	No	N/A		
<u>A. Receiving Cash: Checks and Money Orders</u>					
1. Only accept checks/money orders that are made payable to Wake County, numeric and written amounts agree, and for the specific amount due (no change given).					
2. Checks/money orders are immediately restrictively endorsed for deposit only.					
<u>B. Receiving Cash: Cash Registers and Similar Terminals</u>					
1. Each cashier is assigned his/her own cash drawer or alternative procedures are in place to be able to attribute transactions and related cash balances to a specific person.					
2. The assigned cash amount in the drawer at the beginning of each shift is verified by the cashier.					
3. Transactions are entered into the register immediately and the customer is provided a receipt.					
4. Voids and refunds are reviewed / approved by supervisory personnel.					
<u>C. Receiving Cash: No Cash Register or Similar Terminal</u>					
1. Each cashier (collector) is assigned his/her own cash storage location or alternative procedures are in place to be able to attribute transactions and related cash balances to a specific person.					
2. The assigned change fund at the beginning of each shift is verified by the cash collector.					
3. Collections are immediately recorded on pre-numbered receipts forms provided by Finance and customer is provided a copy of the receipt.					
4. Voids and refunds are reviewed / approved by supervisory personnel.					
5. Checks received through the mail are recorded on a Mail Receipts Log.					
<u>D. Storing Cash</u>					

Control Descriptions	Is control used? (Enter "X" to indicate)			Describe how and when the control, or alternative control, is performed. Response is required unless you answered N/A to any of the questions	Name(s) of Person(s) Who Performs Control
	Yes	No	N/A		
1. Collections are held in a secure manner until deposited (e.g. a fireproof safe, locked desk drawer, etc. with device used dependent on amount of funds to be held).					
2. Cash drawers and other collection units are emptied and funds secured at night and on weekends (e.g. in a vault).					
3. Only authorized persons have access to combinations, keys, etc. to secure locations (vaults, safes) and number of people with access is kept to a minimum. Access to open vaults, safes, etc. is limited.					
4. Locks and/or combinations are changed whenever security has been compromised or there is turnover of personnel with access. Keys are returned whenever there is employee turnover.					
<u>E. Depositing Cash</u>					
1. All cash collected is deposited in a County approved bank account daily for amounts \$250 and greater, weekly for amounts less than \$250 and always on the last day of the month regardless of the amount.					
2. Deposits are recorded on a bank deposit ticket issued by the Finance Department.					
3. Deposits are prepared/reviewed and made by someone other than those who collect the cash or those who reconcile collection activity (see below).					
<u>F. Reconciling Collection Activity</u>					
1. Each cashier/collector balances his/her receipts to the recorded transactions (cash register, receipt books, system reports) at the end of the shift.					
2. An independent person verifies the cashier's/collector's balancing at the end of the shift.					
3. Cash, checks and credit cards are reconciled daily to revenue received using a system generated reconciliation report or form such as the Sample Cash Reconciliation Form provided by Finance?					
3.(a) If credit/debit cards are accepted, are batches settled and reconciled daily?					
4. If transactions are recorded in a subsystem, is a Monthly revenue reconciliation between sub system revenues and Advantage performed?					

CASH CONTROLS QUESTIONNAIRE /Group A

Attachment 2

Control Descriptions	Is control used? (Enter "X" to indicate)			Describe how and when the control, or alternative control, is performed. Response is required unless you answered N/A to any of the questions	Name(s) of Person(s) Who Performs Control
	Yes	No	N/A		
<u>G. Recording revenue in Advantage</u>					
1. All deposits are recorded on a Cash Receipt (CR) document in the financial system at the time of deposit.					
2. All overages/shortages are recorded on a separate Accounting Line of the Cash Receipt using revenue source code M220					
3. The CR number is written on the deposit ticket/back-up documentation and sent to Finance the same day the CR is submitted. Provide copies of back up documents.					

CASH CONTROLS QUESTIONNAIRE /Group B

Attachment 2

Name and position of person completing form: _____

Date Completed: _____

Control Descriptions	Is control used? (Enter "X" to indicate)			Describe how and when the control, or alternative control, is performed. Response is required unless you answered N/A to any of the questions	Name(s) of Person(s) Who Performs Control
	Yes	No	N/A		
<u>A. Receiving Cash: Checks and Money Orders</u>					
1. Only accept checks/money orders that are made payable to Wake County, numeric and written amounts agree, and for the specific amount due (no change given).	_____	_____	_____	_____	_____
2. Checks/money orders are immediately restrictively endorsed for deposit only.	_____	_____	_____	_____	_____
<u>B. Receiving Cash: Cash Registers and Similar Terminals</u>					
1. Each cashier is assigned his/her own cash drawer or alternative procedures are in place to be able to attribute transactions and related cash balances to a specific person.	_____	_____	_____	_____	_____
2. The assigned cash amount in the drawer at the beginning of each shift is verified by the cashier.	_____	_____	_____	_____	_____
3. Transactions are entered into the register immediately and the customer is provided a receipt.	_____	_____	_____	_____	_____
4. Voids and refunds are reviewed / approved by supervisory personnel.	_____	_____	_____	_____	_____
<u>C. Receiving Cash: No Cash Register or Similar Terminal</u>					
1. Each cashier (collector) is assigned his/her own cash storage location or alternative procedures are in place to be able to attribute transactions and related cash balances to a specific person.	_____	_____	_____	_____	_____
2. The assigned change fund at the beginning of each shift is verified by the cash collector.	_____	_____	_____	_____	_____
3. Collections are immediately recorded on pre-numbered receipts forms provided by Finance and customer is provided a copy of the receipt.	_____	_____	_____	_____	_____

CASH CONTROLS QUESTIONNAIRE /Group B

Attachment 2

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	Yes	No	N/A		
4. Voids and refunds are reviewed / approved by supervisory personnel.					
5. Checks received through the mail are recorded on a Mail Receipts Log.					
D. Storing Cash					
1. Collections are held in a secure manner until deposited (e.g. a fireproof safe, locked desk drawer, etc. with device used dependent on amount of funds to be held).					
2. Cash drawers and other collection units are emptied and funds secured at night and on weekends (e.g. in a vault).					
3. Only authorized persons have access to combinations, keys, etc. to secure locations (vaults, safes) and number of people with access is kept to a minimum. Access to open vaults, safes, etc. is limited.					
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E. Depositing Cash					
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3.(a) If credit/debit cards are accepted, are batches settled and reconciled daily?					
4. If transactions are recorded in a subsystem, is a Monthly revenue reconciliation between sub system revenues and Advantage performed?					
<u>G. Recording revenue in Advantage</u>					
1. All deposits are recorded on a Cash Receipt (CR) document in the financial system at the time of deposit.					
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Wake County
Cash Collection Questionnaire

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