

*The County of Chester  
Office of the Controller  
Internal Audit Department*



*Management Letter  
Magisterial District Court 15-3-04  
For the year ended December 31, 2009*

*Valentino F. DiGiorgio III*

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Daniel Maisano

## **Introduction**

On September 7, 2010, Internal Audit completed an audit of Magisterial District Court 15-3-04 (*District Court*). Christian Kriza was the auditor-in-charge. Internal Audit is required by the Pennsylvania County Code to review district courts annually to ensure compliance with policies and procedures mandated by the Administrative Office of Pennsylvania Courts and/or District Justice Administration and to assess their overall internal control structure. The scope of our audit included a review of the following:

- Cash and Petty Cash
- Undisbursed Funds
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Overall Compliance.

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards* published by the Comptroller of the United States. We have also issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting concurrent with this Management Letter. Disclosures and other information in that Report (also dated September 7, 2010) should be considered in conjunction with this Management Letter.

## **Executive Summary**

The management and staff of the *District Court* are, in all material respects, in compliance with policies and procedures set forth by the Administrative Office of Pennsylvania Courts and directives imposed by District Justice Administration. Minor findings involving internal control and compliance are included within this Management Letter. There were no significant internal control weaknesses identified. Based on Internal Audit's testing and observations, it is our opinion that these deficiencies are not the result of negligence or deliberate misconduct, but are instead the consequence of one or more of the following:

- Oversights
- Human error.

We want to thank the management and staff of the *District Court* for their cooperation and assistance during the course of this audit. We have provided herein a copy of our "Audit Findings" and "Recommendations" for your review and comment.

Please feel free to contact our office at (610) 344-5906 should you have any questions or concerns.

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-3-04**  
**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

RECONCILIATION

Finding 1: Undisbursed Funds

Internal Audit noted that in October, 2009, the *District Court* disposed of an inactive case which contained a negative balance. The District Court failed however to request reimbursement from the County to offset the outstanding balance.

Recommendation

Internal Audit recommends that the *District Court* request reimbursement from the County to properly replenish the shortfall (\$40.00) to their checking account.

Auditee Response

*District Court management concurs with the finding and recommendation.*

**II. COMPLIANCE WITH POLICIES AND PROCEDURES**

In order to test compliance with all applicable policies, procedures, and regulations, Internal Audit selected a statistical sample of 20 case files out of a total population of 4,457 case files created in 2009. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample size for the tested areas was determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year case load. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Stale-dated Checks

Internal Audit noted that stale-dated checks are not being escheated in a timely manner.

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-3-04**  
**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**II. COMPLIANCE WITH POLICIES AND PROCEDURES**

Finding 1: Stale-dated Checks (continued)

Recommendation

Internal Audit recommends that the *District Court* staff adhere to the stale-dated check procedures as outlined in the District Judge Automated Office Clerical Procedures Manual.

Auditee Response

*District Court management concurs with the finding and recommendation.*

Finding 2: Overall Compliance

Internal Audit noted the following:

- In 1 instance, a warrant was not issued in a timely manner when the defendant failed to respond within 10 days after the issuance of summons.

Recommendation

Internal Audit recommends that the *District Court* staff exercise greater care to ensure that warrants are issued in accordance with procedures outlined in the District Judge Automated Office Clerical Procedures Manual.

Auditee Response

*District Court management concurs with the finding and recommendation.*

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-3-04**  
**SUMMARY OF EXIT CONFERENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

An exit conference was not warranted for the audit of Magisterial District Court 15-3-04. District Justice Administration has accepted the report as presented.