



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

**Management Letter
For the Year Ended
December 31, 2012**

County of Chester

Pocopson Home Guest Fund

Management Letter

Valentino F. DiGiorgio, III, Controller

To: R. Alan Larson, Administrator, Pocopson Home

Introduction

On June 20, 2013, Internal Audit completed an audit of the *Pocopson Home Guest Fund (Guest Fund)*. Christian J. Kriza was the auditor-in-charge and was assisted by one other auditor. Internal Audit is required by the Pennsylvania County Code to review county offices annually to ensure compliance with policies and procedures and to assess their overall internal control structure. The scope of our audit included a review of the following:

- Cash and Petty Cash
- Cash 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 Internal Control over Financial Reporting and on Compliance and Other Matters concurrent with this Management Letter. Disclosures and other information in that Report (also dated June 20, 2013) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of the *Guest Fund* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Guest Fund*. There were no matters of a significant nature related to internal controls or overall compliance noted during this audit. However, minor findings involving procedural controls and recordkeeping are included in this management letter.

The management and staff of the *Guest Fund* should be commended for their dedication to excellence. Internal Audit offers its compliments to an extremely knowledgeable and well-trained staff.

We want to thank the management and staff of the *Guest Fund* for their cooperation and assistance during the course of this audit.

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

COUNTY OF CHESTER

POCOPSON HOME GUEST FUND

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash and Petty Cash

Cash is reconciled and reviewed at 100%. Petty cash is counted during the course of the on-site fieldwork.

There were no internal control or procedural weaknesses noted.

Personal Needs Income

Personal Needs Income is reconciled and reviewed at 100%.

Finding 1: Personal Needs Income

Internal Audit noted that in one (1) instance a negative balance at year end was not subsequently researched/remedied in a timely manner.

Recommendation

All negative balances at fiscal year-end should be reviewed by the *Guest Fund* staff to ensure proper reimbursement and a return to a positive net position.

Auditee Response

Pocopson Home Management concurs with the audit finding and recommendation.

For the following areas, transactions are reviewed on a sample basis according to risk. The current year risk assessment is based on prior year audit results:

Cash Receipts

The sample size tested for the year ended 12/31/12 was 20 out of a population of 76 receipts generated in 2012.

There were no internal control or procedural weaknesses noted within our sample.

COUNTY OF CHESTER

POCOPSON HOME GUEST FUND

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Disbursements

The sample size tested for the year ended 12/31/12 was 20 out of a population of 1,802 disbursements generated in 2012.

There were no internal control or procedural weaknesses noted within our sample.

Voided Transactions

Receipts:

There were no voided receipts in 2012.

Disbursements:

The sample size tested for the year ended 12/31/12 was 10 out of a population of 12 disbursements voided in 2012.

There were no internal control or procedural weaknesses noted within our sample.

Compliance

The sample size tested for the year ended 12/31/12 was 20 out of a population of 258 cases available in 2012.

Finding 2: Compliance

Internal Audit noted that in one (1) instance, a deceased resident balance remained on the trial balance. This was the result of a data entry error in 1999 which used a future date for the transaction, thus preventing the transaction from clearing. Excluding the date entry error, the transaction and account were properly recorded and maintained.

Recommendation

Internal Audit recommends that an annual review of balances should occur to ensure no inappropriate balances remain at year end.

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SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

Finding 2: Compliance (continued)

Auditee Response

Pocopson Home Management concurs with the audit finding and recommendation.

COUNTY OF CHESTER
POCOPSON HOME GUEST FUND
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2012

An exit conference was not warranted for the audit of the Pocopson Home Guest Fund, R. Alan Larson has accepted the report as presented