



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

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

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*County of Chester*  
*Office of the Sheriff*

Management Letter

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Valentino F. DiGiorgio, III, Controller

**To: Carolyn B. Welsh, Sheriff**

**Introduction**

On July 11, 2013, Internal Audit completed an audit of the *Office of the Sheriff (Sheriff)*. Carissa M. Petrelia was the auditor-in-charge. 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
- Imprest Fund
- Accounts Receivable
- Liabilities
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Escheats (Unclaimed Property)

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 July 11, 2013) should be considered in conjunction with this Management Letter.

**Executive Summary**

The management and staff of the *Sheriff* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Sheriff*. Minor findings involving internal control and compliance with policies and procedures are included within this Management Letter. 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:

- Oversight
- Human Error

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

Please feel free to contact our office at (610) 344-6064 should you have any questions or concerns.

**COUNTY OF CHESTER**

**OFFICE OF THE SHERIFF**

**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.

**Imprest Fund**

The Imprest Fund Account is reconciled and reviewed at 100%; specifically to ensure accurate receipt and disbursement of imprest funds. A sample size is selected in order to verify that proper procedures are being adhered to. The sample size tested for the year ended 12/31/12 was 15 out of a population of 41 reimbursement checks generated in 2012.

**Finding 1: Imprest Fund**

Internal Audit noted that in one instance a receipt submitted for reimbursement was not “detailed/itemized”.

**Recommendation**

Internal Audit recommends that the *Sheriff* follow proper reimbursement procedures as mandated by the County and require detailed/itemized receipts for reimbursement to ensure that non-allowable expenditures are not reimbursed.

**Auditee Response**

*Sheriff management concurs with the finding and recommendation.*

**Liabilities**

Liability balances are reconciled and reviewed at 100%; specifically to ensure accurate recording of liabilities and the verification of subsequent payments following year end.

There were no internal control or procedural weaknesses noted.

**COUNTY OF CHESTER**

**OFFICE OF THE SHERIFF**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

*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.*

**Accounts Receivable**

The sample size tested for the year ended 12/31/12 was 10 out of a population of 146 accounts receivable.

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

**Cash Receipts**

The sample size tested for the year ended 12/31/12 was 20 out of a population of 28,608 receipts generated in 2012.

**Finding 2: Cash Receipts**

Internal Audit noted that 23% of non-case receipts were incomplete as to payer's name

**Recommendation**

Internal Audit recommends the *Sheriff* take greater care when entering receipts into the computer so that all transaction records are complete even if the receipt is not related to a case.

**Auditee Response**

*Sheriff management concurs with the finding and recommendation.*

**COUNTY OF CHESTER**

**OFFICE OF THE SHERIFF**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Cash Receipts (continued)**

Finding 3: Cash Receipts

Internal Audit noted that in one instance the Sheriff Sale Expense sheet amounts did not correctly correspond to the Distribution sheet.

Recommendation

Internal Audit recommends the *Sheriff* take greater care when preparing the Sheriff Sale Expense sheet to ensure that it correctly corresponds with the Distribution sheet.

Auditee Response

*Sheriff management concurs with the finding and recommendation.*

**Manual Receipts**

Manual Receipts were tested at 100% for the year ended 12/31/12 because there were only 3 manual receipts used.

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

**Cash Disbursements**

The sample size tested for the year ended 12/31/12 was as follows:

- 20 Operating Account disbursements (checks) out of a population of 11,784 disbursements (checks) generated in 2012.
- 10 material Operating Account disbursements (checks) out of a population of 51 material disbursements (checks). A check in the amount of \$40,000 or over is considered to be a material disbursement, with the exception of normal reoccurring payments to the Chester County Treasurer.

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

**COUNTY OF CHESTER**

**OFFICE OF THE SHERIFF**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**Voided Receipts**

The sample size tested for the year ended 12/31/12 was 15 out of a population of 463 receipts voided in 2012.

**Finding 4: Voided Receipts**

Internal Audit noted that in one instance a receipt was not marked “void”.

**Recommendation**

Internal Audit recommends that the *Sheriff* take greater care when voiding receipts to ensure that receipts that are voided are marked as such.

**Auditee Response**

*Sheriff management concurs with the finding and recommendation.*

**Voided Disbursements**

The sample size tested for the year ended 12/31/12 was 10 out of a population of 269 disbursements voided in 2012.

**Finding 5: Voided Disbursements**

*Sheriff* bookkeeping staff re-issued and reconciled a sequence of checks that had previously been voided in the system. The CourtView system (which issues and prints the checks) is designed to prevent this from occurring and provides a warning that voided check numbers have previously been used. The bookkeeping staff decided to ignore the warning and re-issue a sequence of voided checks causing duplicate system entries. Due to the bookkeeping staff re-issuing checks that had been previously voided, the check copies maintained at the *Sheriff* were not labeled void, did not contain documentation on why they were voided and also did not get referenced to the replacement checks.

**COUNTY OF CHESTER**

**OFFICE OF THE SHERIFF**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

Finding 5: Voided Disbursements (continued)

Recommendation

Internal Audit recommends that when the *Sheriff* bookkeeping staff voids checks they follow correct accounting principles and do not issue the voided checks again. Also the *Sheriff* bookkeeping staff should write void on the check copy, along with documentation for the void and the replacement check information.

**Unclaimed Property**

The sample size tested for the year ended 12/31/12 was 10 out of a population of 54 unclaimed property transactions.

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

**COUNTY OF CHESTER**  
**OFFICE OF THE SHERIFF**  
**SUMMARY OF EXIT CONFERENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

An exit conference was not warranted for the audit of the Office of the Sheriff; Sheriff Carolyn B. Welsh has accepted the report as presented.