



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

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

County of Chester
Office of the Clerk of Courts
Management Letter

A handwritten signature in blue ink that reads "Valentino F. DiGiorgio, III".

Valentino F. DiGiorgio, III, Controller

To: Francis E. McElwaine, Clerk of Courts

Introduction

On October 11, 2013, Internal Audit completed an audit of the *Office of the Clerk of Courts (Clerk)*. Sharon Kaye Jones, CIA 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
- Liabilities
- Cash Receipts
- Retained Unapplied Balances
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Unclaimed Property / Escheats
- Automation Fund Disbursements

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

Executive Summary

The management and staff of the *Clerk* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Clerk*. There were no matters of a significant nature related to internal controls or overall compliance noted during this audit. One matter of an insignificant nature is included within this management letter and has been formally addressed with the *Clerk*.

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

Please feel free to contact our office at (610) 344-5913 should you have any questions or concerns.

COUNTY OF CHESTER
OFFICE OF THE CLERK OF COURTS
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 on a surprise basis during the course of the on-site fieldwork.

There were no internal control or procedural weaknesses noted.

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.

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 30 out of a population of 47,144 receipts generated in 2012.

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

Retained Unapplied

Retained unapplied balances are reviewed at 100%; specifically to ensure that monies are either refunded or applied in a timely manner.

There were no internal control or procedural weaknesses noted.

Manual Receipts

There were no manual receipts issued for the year ended 12/31/12.

COUNTY OF CHESTER

OFFICE OF THE CLERK OF COURTS

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 determined to be 25. The sample was to be allocated between the five (5) accounts maintained and reconciled by the *Clerk* and the one (1) Restitution account belonging to the *Clerk* but maintained and reconciled by the Office of Adult Probation (*APO*). The allocation was as follows:

- ✦ One (1) Common Pleas Case Management System (*CPCMS*) Bail Escrow disbursement from the Wells Fargo checking account out of a population of 195 checks created in 2012. (Account now closed.)
- ✦ One (1) *CPCMS* Bail Escrow disbursement from the DNB First checking account out of a population of 401 checks created in 2012.
- ✦ One (1) *CPCMS* Filing Fee disbursement from the Wells Fargo checking account out of a population of 10 checks created in 2012. (Account now closed.)
- ✦ One (1) *CPCMS* Filing Fee disbursement from the DNB First checking account out of a population of 22 checks created in 2012.
- ✦ One (1) *CPCMS* Summary Appeal Escrow disbursement from the Wells Fargo checking account out of a population of 128 checks created in 2012. (Account now closed.)
- ✦ One (1) *CPCMS* Summary Appeal Escrow disbursement from the DNB First checking account out of a population of 263 checks created in 2012.
- ✦ One (1) Legacy Bail Escrow disbursement from the Wells Fargo checking account out of a population of 38 checks issued in 2012. (Account now closed.)
- ✦ One (1) Legacy Summary Appeal Escrow disbursement from the Wells Fargo checking account out of a population of 4 checks created in 2012.

(The remaining seventeen (17) disbursements were allocated between the Wells Fargo and DNB First Fines, Costs and Restitution accounts which were tested as part of the Audit of *APO*. These results are addressed under separate cover to the Chief Probation Officer.)

There were no internal control or procedural weaknesses noted within our sample of disbursements issued by the *Clerk*.

COUNTY OF CHESTER

OFFICE OF THE CLERK OF COURTS

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 determined to be 15 out of a population of 198 receipts voided in 2012. The sample was allocated between the five (5) accounts maintained and reconciled by the *Clerk* and the one (1) Restitution Account belonging to the *Clerk* but maintained and reconciled by the Office of Adult Probation. The allocation was as follows:

- ✚ One (1) *CPCMS* Bail Escrow receipt out of a population of 10 receipts voided in 2012.
- ✚ One (1) *CPCMS* Summary Appeal Escrow receipt out of a population of two (2) receipts voided in 2012.
- ✚ One (1) *CPCMS* Filing Fee receipt out of a population of 25 receipts voided in 2012.
- ✚ There were no Legacy account receipts issued or voided in 2012.
(The remaining twelve (12) voided receipts were selected from the Restitution account which was tested as part of the Audit of *APO*. These results are addressed under separate cover to the Chief Probation Officer.)

There were no internal control or procedural weaknesses noted within our sample of receipts voided by the *Clerk*.

Voided Disbursements

The sample size tested for the year ended 12/31/12 was 10 out of a population of 173 disbursements voided in 2012. The sample was allocated between the five (5) accounts maintained and reconciled by the *Clerk* and the one (1) Restitution account belonging to the *Clerk* which is maintained and reconciled by the Office of Adult Probation. The allocation was as follows:

- ✚ One (1) *CPCMS* Bail Escrow disbursement out of a population of 11 checks voided in 2012.
- ✚ One (1) *CPCMS* Summary Appeal Escrow disbursement out of a population of 15 checks voided in 2012.
- ✚ One (1) Legacy Summary Appeal Escrow disbursement out of a population of 1 check voided in 2012.
- ✚ There were no voided disbursements for the *CPCMS* Filing Fee account or the Legacy Bail Escrow account.

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

Voided Disbursements (continued)

(The remaining seven (7) voided disbursements were selected from the Fines, Costs and Restitution account which were tested as part of the Audit of the *APO*. These results are addressed under separate cover to the Chief Probation Officer.)

There were no internal control or procedural weaknesses noted within our sample of disbursements voided by the *Clerk*.

Unclaimed Property / Escheats

Monies that have been escheated to the state are tested on a predetermined sample basis. For the year ended 12/31/12, the sample size was determined to be 30 transactions.

Finding 1: Escheats

In one (1) instance, an incorrect address was recorded on the escheat report.

Recommendation

Internal Audit recommends that the error be reported to the Bureau of Unclaimed Property for correction.

Auditee Response

Address correction was emailed to the PA Treasury on 9/18/13.

Automation Fund Disbursements

Automation Fund disbursements are tested at 100% specifically to ensure that money in the account is used in accordance with PA House Bill 1715, Act 98-164.

There were no internal control or procedural weaknesses noted.

COUNTY OF CHESTER
OFFICE OF THE CLERK OF COURTS
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 Clerk of Courts. The Clerk of Courts, Francis E. McElwaine has accepted the report as presented.