



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

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

County of Chester
Prison Canteen Fund
Management Letter

Valentino F. DiGiorgio, III, Controller

To: D. Edward McFadden, Warden, Prison

Introduction

On October 31, 2013, Internal Audit completed an audit of the Prison Canteen Fund (*Canteen*). Christian J. Kriza 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
- Cash Deposits
- Cash Disbursements
- Voided Disbursements
- Compliance (Aramark Contract)

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 31, 2013) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of the *Canteen* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Canteen*. There were no matters of a significant nature related to internal controls or overall compliance noted during this audit. A procedural weakness related to Commissary Commission however was identified and is included herein for management's review and corrective action.

We want to thank the management and staff of the *Canteen 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

PRISON CANTEEN FUND

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash

Cash is reconciled and reviewed at 100%.

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:

Deposits

The sample size tested for the year ended 12/31/12 was 20 out of a population of 230 deposits in 2012.

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 20 out of a population of 20 disbursements generated in 2012.

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

Voided Disbursements

There were no voided disbursements in 2012.

COUNTY OF CHESTER

PRISON CANTEEN FUND

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Compliance

Compliance testing reviews the annual contract with Aramark for Commissary and iCare Services.

Finding 1: Compliance

Internal Audit noted that *Canteen* management failed to calculate and receive subsequent payment of the commission balance owed by Aramark to the Canteen Fund. The balance should have been calculated at contract year end (June 2012) and received the following month. This balance was outstanding as of 12/31/12 and not received until March 2013 when it was brought to the attention of *Canteen* management.

Recommendation

Internal Audit recommends that *Canteen* management follow up on any outstanding balances at contract year-end to ensure timely reconciliation of the account.

Auditee Response

Prison management concurs with the finding and recommendation.

COUNTY OF CHESTER
PRISON CANTEEN FUND
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2012

An exit conference was not warranted for the audit of the Prison Canteen Fund, D. Edward McFadden has accepted the report as presented.