



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

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

*County of Chester
Magisterial District Court
15-3-07*

Management Letter

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Nancy Gill

Introduction

On November 25, 2013, Internal Audit completed an audit of Magisterial District Court 15-3-07 (*District Court*). Pat Lenzi was the auditor-in-charge. Internal Audit is required by 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 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 November 25, 2013) 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. Internal Audit noted no significant deficiencies or material weaknesses in the overall internal control structure.

Internal Audit did, however, note several matters of a lesser significance involving internal controls and compliance with policies and procedures. These matters have all been 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 *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) 344-6797 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-07

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash and Petty Cash

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

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.

Undisbursed Funds

The sample size tested for the year ended 12/31/12 was determined to be 10; however there was only a total population of 4 cases which were greater than or equal to 90 days.

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

Cash Receipts

The sample size tested for the year ended 12/31/12 was determined to be 20 out of a population of 9,739 receipts issued during the year.

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

Manual Receipts

There were 5 manual receipts used and tested for the year ended 12/31/12.

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 determined to be 20 out of a population of 593 checks issued during the year.

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

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-07

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 sample of 63 receipts voided during the year.

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

Voided Disbursements

The sample size tested for the year ended 12/31/12 was determined to be 10 out of a population of 30 disbursements voided during the year.

Finding 1: Voided Disbursements

Internal Audit noted the following:

In one (1) instance, the voided check copy was not included in the case file.

Recommendation

Internal Audit recommends that the *District Court* staff be diligent in including all proper documentation in each case file.

Auditee Response

Failure to place a copy of one voided check in the file was an oversight. To avoid this in the future, the office manager will recheck each file to ensure all copies of voided checks are present before re-filing.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-07

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Overall Compliance

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 25 case files out of a total population of 5,555 case files created in 2012. The sample size was divided equally among four (4) case types: traffic, non-traffic, civil/landlord tenant, and criminal.

Finding 2: Overall Compliance

Internal Audit noted the following:

In one (1) instance, the original arrest warrant was not recalled after 60 days.

Recommendation

Internal Audit recommends that the *District Court* staff adhere to AOPC policies, procedures and recommendations. All warrants should be recalled within 60 days, 30 days if they are criminal warrants.

Auditee Response

The warrant that was not recalled after 60 days was issued to a police department rather than a constable. During that time a warrant management report was run for warrants held by constables but not for warrants held by police departments. To avoid this from happening in the future, warrant management reports will be run for both constables and police departments on a regular basis.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-07

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2012

Magisterial District Judge Nancy Gill indicated through a written confirmation, that an exit conference would be waived for this year. The Magisterial District Judge has accepted the audit report and management letter as presented.