



**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  
Prison Correctional Center*

Management Letter

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

Valentino F. DiGiorgio, III, Controller

**To: Fred O. Swanenburg, Manager  
Chester County Prison Correctional Center**

**Introduction**

On November 20, 2013 Internal Audit completed an audit of the Prison Correctional Center (*Center*). Sharon Kaye Jones, CIA was the auditor-in-charge and was assisted by other members of the audit staff. 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 Receipts
- Cash Disbursements
- Voided Transactions
- Inmate Welfare Fund
- 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 November 20, 2013) should be considered in conjunction with this Management Letter.

**Executive Summary**

The management and staff of the *Center* are, in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the Warden. The continued use of a "manual / excel based" recordkeeping system has however, resulted in a number of inaccuracies related to resident balances and monthly payments to the American Monitoring Sales Corporation and the County of Chester during the year ended December 31, 2012. Internal Audit has addressed this matter with the Warden and management of the *Center* during the course of the audit. An action plan has been put in place to convert the current "excel" based system to Quickbooks in early 2014.

We want to thank the management and staff of the *Center* 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**  
**PRISON CORRECTIONAL CENTER**  
**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.*

**Cash Receipts**

The sample size tested for the year ended 12/31/12 was 20 out of a population of 684 receipts generated 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 427 checks issued in 2012.

**Finding 1: Cash Disbursements**

The *Center* is issuing checks made payable to “cash”. Although these payments are solely for “inmate allowances”; checks made payable to “cash” pose unnecessary risk to the *Center* and represent an internal control weakness. Should the check be lost or misplaced, there is no restriction as to who may present the check for payment. Checks are generally valued between \$600 and \$700 and occur at least weekly.

**Recommendation**

Checks should always be made payable to a specific person or organization. Management of the *Center* should investigate and consider other ways to provide “cash allowances” to its residents.

**COUNTY OF CHESTER**  
**PRISON CORRECTIONAL CENTER**  
**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
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Finding 1: Cash Disbursements (continued)

Auditee Response

The Warden has reviewed and discussed your recommendation with regards to the current procedure for the disbursement of “pocket money” to the inmates on work release. As always, your recommendations are appreciated and given serious consideration. However, in this instance, based on both security and accounting considerations, it is his position that we will not change our current policy at this time.

**Voided Receipts**

The sample size tested for the year ended 12/31/12 was 2 out of a population of 2 receipts voided in 2012.

- 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 5 out of a population of 5 disbursements voided in 2012.

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

**Inmate Welfare Fund**

Inmate Welfare Fund receipts and disbursements are tested at 100%.

- There were no internal control or procedural weaknesses noted.

**COUNTY OF CHESTER**  
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**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
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**Escheats / Unclaimed Property**

Monies that have been escheated to the state are tested on a predetermined sample basis. For the year ended 12/31/11, the *Center* issued a “Zero” (0) report in January 2012 since there were no checks to escheat.

- There were no internal control or procedural weaknesses noted.

**COUNTY OF CHESTER**  
**PRISON CORRECTIONAL CENTER**  
**SUMMARY OF EXIT CONFERENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

An exit conference was not warranted for the audit of the Prison Correctional Center (*Center*). The Correctional Center Manager, Fred Swanenburg has accepted the report as presented.