



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

**Management Letter
For the Year Ended
December 31, 2013**

County of Chester
Office of the Clerk of Courts
Management Letter

A handwritten signature in blue ink, appearing to read "N. MacQueen", written over a horizontal line.

Norman MacQueen, Controller

To: Robin L. Marcello, Clerk of Courts

Introduction

On August 8, 2014, Internal Audit completed an audit of the Office of the Clerk of Courts (*Clerk*). Carissa 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
- 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 August 8, 2014) 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*. Internal Audit noted no significant deficiencies or material weaknesses in the overall internal control structure. Internal Audit did, however, note a matter of an insignificant nature, which is included within this management letter and has been formally addressed with the Clerk of Courts.

The management and staff of the *Clerk* should be commended for their dedication to excellence. Internal Audit offers its compliments to an extremely knowledgeable and well-trained staff.

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) 344-6064 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, 2013

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 12/31/13 was 20 out of a population of 53,676 receipts generated in 2013.

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

The sample size tested for the year ended 12/31/13 was determined to be 40. The sample was to be allocated based on the percentage of manual receipts issued by the department. The allocation was as follows:

- Two (2) out of a population of 11 manual receipts issued by the *Clerk* in 2013.

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Manual Receipts (continued)

- The remaining 38 were tested as part of the Audit of the Office of Adult Probation (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 manual receipts processed by the Clerk. General findings related to all of the manual receipts issued and recorded by the Clerk in 2013 are itemized below:

- In three (3) instances the manual receipt number was not entered on the computer receipt; therefore the manual receipt number appears not to be used since it is not on the computer generated Manual Receipt Log.
- In one (1) instance a manual receipt was used out of sequence.
- In two (2) instances the manual receipt number was entered into CPCMS incorrectly.

Recommendation

Internal Audit recommends that the staff take greater care when issuing manual receipts to ensure that the manual receipt number is entered on the computer receipt. Internal audit also recommends that manual receipts be issued in numerical sequence and that information on the manual receipt is entered into CPCMS accurately.

Auditee Response

The Clerk of Courts, Robin L. Marcello held an Audit Findings Meeting on July 22, 2014 with the six staff members who primarily handle manual receipts. All findings were reviewed and office policy and procedure pertaining to creating manual receipts was reviewed to avoid further oversight.

Cash Disbursements

The sample size tested for the year ended 12/31/13 was determined to be 25. The sample was to be allocated between the four (4) accounts maintained and reconciled by the Clerk and the one (1) Restitution account belonging to the Clerk but maintained and reconciled by APO. The allocation was as follows:

- Two (2) CPCMS Bail Escrow disbursements from the DNB First checking account out of a population of 565 checks created in 2013.

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SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

Cash Disbursements (continued)

- One (1) *CPCMS* Filing Fee disbursement from the DNB First checking account out of a population of 32 checks created in 2013.
- One (1) *CPCMS* Summary Appeal Escrow disbursement from the DNB First checking account out of a population of 387 checks created in 2013.
- One (1) Legacy Summary Appeal / Bail Escrow disbursement from the DNB First checking account out of a population of 1 check created in 2013.

(The remaining 20 disbursements were allocated to the DNB First Fines, Costs and 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 disbursements issued by the *Clerk*.

Voided Receipts

The sample size tested for the year ended 12/31/13 was determined to be 25 out of a population of 274 receipts voided in 2013. The sample was allocated between the four (4) accounts maintained and reconciled by the *Clerk* and the one (1) Restitution Account belonging to the *Clerk* but maintained and reconciled by *APO*. The allocation was as follows:

- One (1) *CPCMS* Bail Escrow receipt out of a population of 14 receipts voided in 2013.
- One (1) *CPCMS* Summary Appeal Escrow receipt out of a population of one (1) receipt voided in 2013.
- One (1) *CPCMS* Filing Fee receipt out of a population of 17 receipts voided in 2013.
- There were no Legacy account receipts issued or voided in 2013.

(The remaining 22 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*.

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SUMMARY OF FINDINGS AND RECOMMENDATIONS

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Voided Disbursements

The sample size tested for the year ended 12/31/13 was 10 out of a population of 121 disbursements voided in 2013. The sample was allocated between the four (4) accounts maintained and reconciled by the *Clerk* and the one (1) Restitution account belonging to the *Clerk* which is maintained and reconciled by *APO*. The allocation was as follows:

- One (1) *CPCMS* Bail Escrow disbursement out of a population of 1 check voided in 2013.
- One (1) *CPCMS* Summary Appeal Escrow disbursement out of a population of 1 check voided in 2013.
- There were no voided disbursements for the *CPCMS* Filing Fee account or the Legacy Summary Appeal / Bail Escrow account.

(The remaining eight (8) 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 12/31/13, the sample size was determined to be 30 transactions.

There were no internal control or procedural weaknesses noted within our sample of unclaimed property / escheats completed by the *Clerk*.

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.

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SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2013

An exit conference was not warranted for the audit of the Office of the Clerk of Courts. The Clerk of Courts, Robin L. Marcello has accepted the report as presented.