



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

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

County of Chester

Pocopson Home Guest Fund

Management Letter

A handwritten signature in blue ink, appearing to read "N MacQueen".

Norman MacQueen, Controller

To: Jacqueline McKenna, Administrator, Pocopson Home

Introduction

On December 16, 2014, Internal Audit completed an audit of the *Pocopson Home Guest Fund* (*Guest Fund*). Christian J. Kriza was the auditor-in-charge and was assisted by one other auditor. 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
- Cash 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 December 16, 2014) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of the *Guest Fund* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Guest Fund*. There were no matters of a significant nature related to internal controls or overall compliance noted during this audit. However, minor findings involving procedural controls and recordkeeping are included in this management letter.

The management and staff of the *Guest Fund* 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 *Guest 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
POCOPSON HOME GUEST FUND
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 during the course of the on-site fieldwork.

Finding 1: Bank Signature Card

The previous administrator was not removed from the bank signature card in a timely manner. The removal of the previous administrator from the bank signature card should have been completed at the end of employment.

Finding 2: Bank Reconciliation

Client prepared bank reconciliation improperly carried an adjustment on the bank side. This adjustment should have been recorded on the books in order to reconcile to the correct balance.

Recommendation

Internal Audit recommends that *Guest Fund* staff properly and timely record any bank adjustments on the books to ensure an accurate balance. It is also recommended that the bank signature card be reviewed on a regular basis to ensure only the appropriate signers are listed.

Auditee Response

Pocopson Home Management concurs with the audit findings and recommendations.

Personal Needs Income

Personal Needs Income is reconciled and reviewed at 100%.

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

COUNTY OF CHESTER

POCOPSON HOME GUEST FUND

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

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 75 receipts generated in 2013.

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

Cash Disbursements

The sample size tested for the year ended 12/31/13 was 20 out of a population of 1,763 disbursements generated in 2013.

Finding 3: Cash Disbursements

In one (1) instance, a disbursement was issued from a resident account without documenting the request in writing as required.

Recommendation

Internal Audit recommends that *Guest Fund* staff only issue a disbursement from a resident account after receiving the signed request form from the resident or guardian. Internal Audit understands that it can be more convenient for everyone involved to issue a verbal request, however this is bypassing the internal control put in place to ensure no inappropriate disbursements occur.

Auditee Response

Pocopson Home Management concurs with the audit finding and recommendation.

COUNTY OF CHESTER
POCOPSON HOME GUEST FUND
SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

Voided Transactions

Receipts:

There were no voided receipts in 2013.

Disbursements:

The sample size tested for the year ended 12/31/13 was 10 out of a population of 12 disbursements voided in 2013.

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

Compliance

The sample size tested for the year ended 12/31/12 was 20 out of a population of 250 cases available in 2013.

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

COUNTY OF CHESTER
POCOPSON HOME GUEST FUND
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2013

An exit conference was not warranted for the audit of the Pocopson Home Guest Fund, Jacqueline McKenna has accepted the report as presented