



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

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

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*County of Chester  
Office of the Prothonotary*

Management Letter

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

Norman MacQueen, Controller

**To: Bryan Walters, Prothonotary**

**Introduction**

On November 18, 2014, Internal Audit completed an audit of the *Office of the Prothonotary (Prothonotary)*. Sharon Kaye Jones, CIA 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
- Federal Tax Lien Filings / Releases
- Liabilities
- Suspense Account Entries
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Escheats / Unclaimed Property
- 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 November 18, 2014) should be considered in conjunction with this Management Letter.

**Executive Summary**

The management and staff of the *Prothonotary* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Prothonotary*. There were no matters of a significant nature related to internal controls or overall compliance noted during this audit. Matters of a lesser significance nature are included within this management letter and have been formally addressed with the *Prothonotary*.

We want to thank the management and staff of the *Prothonotary* 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**  
**OFFICE OF THE PROTHONOTARY**  
**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.

**Federal Tax Liens**

Federal Tax Lien filings and releases are tested on a pre-determined sample basis specifically to ensure that processing of these transactions occurs in a timely manner. For the year ended 12/31/13, Internal Audit tested 12 liens filed and 12 liens released.

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.

**Suspense Account Entries**

Entries made to the suspense account are reviewed at 100% to ensure that only overpayments or declined filings are recorded here and that they are subsequently refunded in a timely manner.

There were no internal control or procedural weaknesses noted.

**COUNTY OF CHESTER**  
**OFFICE OF THE PROTHONOTARY**  
**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 30,902 receipts generated in 2013.

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

**Manual Receipts**

For the year ended 12/31/13, the sample size was determined to be 15 transactions. Since there were only 16 manual receipts issued in 2013, Internal Audit tested at 100%.

**Finding 1: Manual Receipts**

Internal audit noted the following matters related to manual receipts:

- In three (3) instances, the “filed by / received from” information entered into Courtview did not match remitter information recorded on the manual receipt and/or the manual receipt log.
- In two (2) instances, the remitter’s name was not recorded on the manual receipt.
- In one (1) instance, only the remitter’s first name was recorded on the manual receipt log and in Courtview.

**Recommendation**

Remitter information should be properly recorded on the manual receipt log, the manual receipt, and in Courtview to ensure that case file information is accurate and complete. The staff of the *Prothonotary* should be reminded to:

1. record first and last names of the remitter on the manual receipt, on the manual receipt log, and in Courtview
2. ensure that all information entered into Courtview matches the manual receipt and the manual receipt log.

**COUNTY OF CHESTER**  
**OFFICE OF THE PROTHONOTARY**  
**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

Finding 1: Manual Receipts (continued)

Auditee Response

Management acknowledges the finding and concurs with the recommendation.

**Cash Disbursements**

The sample size tested for the year ended 12/31/13 was as follows:

- 8 Operating Account disbursements out of a population of 121 checks created in 2013
- 12 Escrow Account disbursements out of a population of 115 checks created in 2013

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

**Voided Receipts**

The sample size tested for the year ended 12/31/13 was 15 out of a population of 299 receipts voided in 2013.

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

**Voided Disbursements**

The sample size tested for the year ended 12/31/13 was 10 out of a population of 14 disbursements voided in 2013.

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

**COUNTY OF CHESTER**  
**OFFICE OF THE PROTHONOTARY**  
**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**Escheats / Unclaimed Property**

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 15 transactions. Since there were only 5 reportable items escheated in 2013, Internal Audit tested at 100%.

There were no internal control or procedural weaknesses noted.

**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.

**COUNTY OF CHESTER**  
**OFFICE OF THE PROTHONOTARY**  
**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 Prothonotary. The Prothonotary, Bryan Walters has accepted the report as presented.