

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



*Management Letter
Magisterial District Court 15-1-03
For the year ended December 31, 2006*

Valentino F. DiGiorgio

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Robert Davis

Introduction

On July 13, 2007, Internal Audit completed an audit of Magisterial District Court 15-1-03 (*District Court*). Gretchen W. Sohn, CIA, 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.

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. Also, we noted no significant weaknesses in the overall internal control structure.

Internal Audit did note several matters of a lesser significance involving compliance with policies and procedures that have been included within this Management Letter. We would like to commend the management and staff of the *District Court* for the hard work performed to continually improve the overall conditions in the court.

Internal Audit would also like 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 15-1-03

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2006

I. COMPLIANCE WITH POLICIES AND PROCEDURES

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 5,742 case files created in 2006. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample size for the tested areas was determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year case load. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Cash Adjustments

In following-up on the cash adjustments processed in 2005, Internal Audit noted that reimbursement from the County had not as yet been requested by the *District Court* for 2 debit adjustments for credit card supplies charged to their bank account.

Recommendation

Internal Audit recommends that *District Court* management request reimbursement from the County of any charges or fees to their bank account in a timely manner so that the required offsetting credit adjustments can be processed.

Auditee Response

Letters have been given to the Internal Auditor as proof that this finding was rectified.

Finding 2: Manual Receipts

Internal Audit noted the following:

- In 1 instance, the manual receipt number was not entered on the system receipt.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the manual receipt procedures as outlined in the District Justice Automated Office Clerical Procedures Manual.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-03

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2006

I. COMPLIANCE WITH POLICIES AND PROCEDURES (continued)

Finding 2: Manual Receipts (continued)

Auditee Response

Auditee concurs with the finding and recommendation.

Finding 3: Voided Disbursements

Internal Audit noted the following:

- In 2 instances, a copy of the void check was not attached to the case file.

Recommendation

Internal Audit recommends that the *District Court* staff re-familiarize themselves with the District Court Handbook –Administrative Procedures – page 12 regarding the proper handling of voided checks.

Auditee Response

Auditee concurs with the finding and recommendation.

Finding 4: Overall Compliance

Internal Audit noted the following:

- In 1 instance, a warrant was not issued in a timely manner for non-response to a non-traffic citation/summons.
- In 1 instance, an outstanding warrant was not recalled after 60 days.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-1-03
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

I. COMPLIANCE WITH POLICIES AND PROCEDURES (continued)

Finding 4: Overall Compliance (continued)

Recommendation

Internal Audit recommends that *District Court* management re-emphasize to the staff the importance of adhering to the collection procedures as outlined in the District Justice Automated Office Clerical Procedures Manual.

Auditee Response

Auditee concurs with the finding and recommendation.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-1-03
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2006

An exit conference was not warranted for the audit of Magisterial District Court 15-1-03. Magisterial District Judge Robert Davis has accepted the report and management letter as presented.