



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

**Management Letter
For the Year Ended
December 31, 2015**

County of Chester
*Office of the Register of Wills/
Clerk of the Orphans' Court*

Management Letter

Norman MacQueen, Controller

To: Terri Clark, Register of Wills/Clerk of the Orphans' Court

Introduction

On August 9, 2016, Internal Audit completed an audit of the *Register of Wills/Clerk of the Orphans' Court (Register)* for the year ended 12/31/15. Pat Lenzi 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
- Court Ordered Escrow Accounts
- Liabilities
- Cash Receipts
- Manual Receipts
- Inheritance Tax Receipts
- Cash Disbursements
- Voided Transactions

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 9, 2016) should be considered in conjunction with this Management Letter.

Executive Summary

For the year ended 12/31/15, Internal Audit has determined that the *Register's* system of internal controls is adequately *designed, in-place* and *operative*. The results of this audit indicate that, in all material respects:

- Assets are properly safeguarded from employee theft, robbery and unauthorized use
- Responsibility / Authority is established and assigned to specific individuals
- Duties (specifically authorization, custody and recordkeeping) are properly segregated
- Documents are available to provide evidence that transactions and events have occurred
- Transactions and events are properly recorded in a timely manner
- Reconciliations of internal records with bank statements occur monthly

In addition, the *Register* was found to be in compliance with policies and procedures mandated by the County of Chester.

We thank the management and staff of the *Register* for their cooperation and assistance during the course of this review. Please feel free to contact our office at (610) 344-6797 should you have any questions or concerns or if you wish to schedule an exit conference. An exit conference

is held at the request of the auditee to discuss specific concerns that were not resolved during the closing conference.

A final copy of this management letter and the corresponding Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters will be transmitted electronically to your attention upon receipt of your responses. In addition, since audit reports are a matter of public record, your final report and management letter will be posted on the Controller's webpage within one week of issuance.

A handwritten signature in blue ink, appearing to read 'N MacQueen', with a large circular flourish at the end.

Norman MacQueen
Controller

August 9, 2016

COUNTY OF CHESTER

OFFICE OF THE REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

Cash and Petty Cash

Cash is reconciled and reviewed at 100%. Petty cash is counted during the course of the on-site fieldwork.

There were no internal control or procedural weaknesses noted.

Court Ordered Escrow Accounts

Court Ordered Escrow Accounts are reconciled and reviewed at 100%; specifically to ensure accurate receipt and disbursement of escrow funds.

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 12/31/15 was determined to be 20 out of a population of 12,198 receipts generated during the year.

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

Manual Receipts

The sample size tested for the year ended 12/31/15 was determined to be 10; however, there was only a population of 5 items during the year.

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

COUNTY OF CHESTER

OFFICE OF THE REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

Inheritance Tax Receipts

Inheritance Tax commissions due to the County are reconciled and reviewed at 100%; specifically to ensure that all Inheritance Tax commissions are properly transferred to the County and that all voids are handled properly.

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

Cash Disbursements

The sample size tested for the year ended 12/31/15 was determined to be as follows:

- Operating Account - 20 out of a population of 58 disbursements (checks) generated during the year.
- Attorney for Minor Account - 2 out of a population of 9 disbursements (checks) during the year.
- Counseling Fund Account - 1 out of a population of 1 disbursement (check) during the year.
- Automation Fund Account - 1 out of a population of 1 disbursement (check) during the year.

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

Voided Receipts

The sample size tested for the year ended 12/31/15 was determined to be 20 out of a population sample of 77 receipts voided during the year.

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

Voided Disbursements

The sample size tested for the year ended 12/31/15 was determined to be 10; however, there was only a population of 1 item during the year.

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

COUNTY OF CHESTER

OFFICE OF THE REGISTER OF WILLS/CLERK OF THE ORPHANS' COURT

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2015

An exit conference was not warranted for the audit of the Register of Wills / Clerk of the Orphans' Court. Register of Wills / Clerk of the Orphans' Court Terri Clark has accepted the report as presented.