



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

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

County of Chester
Pocopson Home Guest Fund

Management Letter

Norman MacQueen, Controller

To: Jacqueline McKenna, Administrator, Pocopson Home

Introduction

On September 15, 2016, Internal Audit completed an audit of the *Pocopson Home Guest Fund (Guest Fund)* for the year ended December 31, 2015. Christian J. Kriza 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
- 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 September 15, 2016) should be considered in conjunction with this Management Letter.

Executive Summary

For the year ended December 31, 2015, Internal Audit has determined that the *Guest Fund* 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 *Guest Fund* was found to be in compliance with policies and procedures mandated by the County of Chester except as outlined on the pages that follow.

We thank the management and staff of the *Guest Fund* for their cooperation and assistance during the course of this review. Please feel free to contact our office at (610) 344-5906 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

September 15, 2016

COUNTY OF CHESTER
POCOPSON HOME GUEST FUND
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.

Personal Needs Income

Personal Needs Income is reconciled and reviewed at 100%.

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 20 out of a population of 65 receipts generated in 2015.

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 20 out of a population of 1,562 disbursements generated in 2015.

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, 2015

Voided Transactions

Receipts:

There were no voided receipts in 2015.

Disbursements:

The sample size tested for the year ended 12/31/15 was 10 out of a population of 15 disbursements voided in 2015.

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

Compliance

The sample size tested for the year ended 12/31/15 was 10 out of a population of 248 cases available in 2015.

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, 2015

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