“Some old-fashioned things like fresh air and sunshine are hard to beat.”

Laura Ingalls Wilder

Annual Report
For the year ended December 31, 2016

Photo Courtesy of Norman MacQueen
The mission of the Internal Audit Department is to serve the citizens and taxpayers of Chester County through the performance of independent, objective reviews and evaluations of all relevant activities. In performing these duties, the Internal Auditor will endeavor to assist administrators and department managers in achieving the best utilization and administration of taxpayer resources. These efforts are intended to improve County operations and to help ensure that the County is fulfilling its fiduciary responsibilities to its citizens and taxpayers.

“Simplicity is the ultimate sophistication.” — Leonardo da Vinci
County of Chester
Office of the Controller

INTERNAL AUDIT DEPARTMENT

Statement of Purpose, Authority and Responsibility

The County of Chester Internal Audit Department is comprised of four accounting / auditing professionals including an Internal Audit Manager, two (2) Senior Auditors and one (1) Staff Auditor. The department reports administratively to the County’s First Deputy Controller and functionally to the County Controller and a three member Board of Commissioners.

In accordance with County Code requirements, the Chester County Internal Audit Department is authorized to direct a broad comprehensive program of internal auditing within the County. The internal auditors are responsible for examining and evaluating the adequacy and effectiveness of the systems of internal control established by the various agencies of the County and to audit, settle, and adjust the accounts and financial statements of these same agencies annually. In accomplishing these activities, the Manager of Internal Audit, as well as all members of the audit staff, are authorized to have full, free, and unrestricted access to all County records, property, and personnel, except as restricted by law.

In accordance with Generally Accepted Government Accounting and Auditing Standards, the audit department is responsible for ensuring that (1) the audit is conducted by personnel who collectively have the necessary skills, (2) independence is maintained, (3) applicable standards are followed in planning and conducting audits and reporting the results, (4) significant noncompliance or abuse (fraud) should be properly investigated and reported to the appropriate level of management; (5) auditors should report recommendations for actions to correct problems and to improve operations.
County of Chester
Office of the Controller

INTERNAL AUDIT DEPARTMENT

Organizational Chart

Norman MacQueen
Controller

Carol A. Pollitz, CPA, CGMA
First Deputy Controller

Sharon Kaye Jones, CIA, CFE
Internal Audit Manager

Carissa M. Petrelia
Senior Internal Auditor

Christian J. Kriza
Senior Internal Auditor

Patrick N. Lenzi
Staff Internal Auditor

Photo Courtesy of Norman MacQueen
County of Chester  
Office of the Controller  

INTERNAL AUDIT DEPARTMENT  

Staff Credentials and Certifications  

Sharon Kaye Jones, *Internal Audit Manager*  
Bachelor of Science, Villanova University, 1984  
Certified Internal Auditor (CIA) 1993  
Certified Fraud Examiner (CFE) 2016  
32 years internal audit experience  

Carissa M. Petrelia, *Senior Auditor*  
Bachelor of Science, West Chester University, 2004  
12 years experience (2.5 years finance/accounting / 9.5 years internal audit)  

Christian J. Kriza, *Senior Auditor*  
Bachelor of Science, West Chester University, 2009  
7 years internal audit experience  

Patrick N. Lenzi, *Staff Auditor*  
Bachelor of Science, West Chester University, 2010  
5.75 years experience (2 years accounting/tax / 3.75 years internal audit)  
Resigned November 2016  

Photo Courtesy of Norman MacQueen
### 2016 Audit Summary

#### Annual Audits Required by County Code

<table>
<thead>
<tr>
<th>Auditee</th>
<th>Reportable Conditions</th>
</tr>
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<tbody>
<tr>
<td>District Court 15-1-01</td>
<td>None</td>
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<tr>
<td>District Court 15-4-04</td>
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<td>Adult Probation</td>
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<td>Clerk of Courts</td>
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<td>County Prison</td>
<td>Report Pending</td>
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<tr>
<td>County Sheriff</td>
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<tr>
<td>Prothonotary</td>
<td>None</td>
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<tr>
<td>Recorder of Deeds</td>
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</tr>
<tr>
<td>Register of Wills</td>
<td>None</td>
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</tbody>
</table>
2016 Audit Summary (continued)

**Annual Audits Required by State**

<table>
<thead>
<tr>
<th>Auditee</th>
<th>Reportable Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug Forfeiture</td>
<td>None</td>
</tr>
<tr>
<td>Pocopson Home (Guest Fund)</td>
<td>None</td>
</tr>
</tbody>
</table>

**Special Projects Requested by Management**

- Auto Supply Inventory
- Central Stores Inventory
- Print Shop Inventory
- Agency Funds Compilation
- Tax Claim

**Waste, Fraud and Abuse Hotline**

There were a total of 10 Waste, Fraud and/or Abuse Complaints received by the Controller’s Office in 2016. All of these concerns were properly investigated by Internal Audit or forwarded to the appropriate governing body for resolution.

**Note:**
District Courts 15-2-05 and 15-2-06 were closed in 2015 due to redistricting.

*Photo Courtesy of Elaine Deutsch*
INTERNAL AUDIT DEPARTMENT

2017 Goals and Objectives

- To complete all Row Office and District Court audits in a timely manner within the year.

- To continue to incorporate new audits into the audit schedule as a result of an ongoing risk assessment process.

- To incorporate “limited scope financial and operational audits” to the annual audit schedule as a means of ensuring that recommendations are acted upon in a timely manner and to expand audit coverage to those areas and entities posing greater risk.

- To perform “agreed upon procedure” audits at the request of management, the County Commissioners, or the President Judge.

- To assist in investigations involving fraud complaints received via the County’s Fraud, Waste, and Abuse Hotline.

- To prepare the Agency Fund footnote disclosure for inclusion in the CAFR report as well as the DCED.

- To continue to complete 40 hours of continuing education annually to keep abreast of new accounting / auditing issues and pronouncements as required by the GAO Yellow Book.

- To help maintain and update the new Audit Department subdirectory within the Office of the Controller Website.

- To provide assistance to the Controller and First Deputy Controller with respect to special projects and other tasks.
County of Chester
Office of the Controller

INTERNAL AUDIT DEPARTMENT

2017 Goals and Objectives

- To continue to encourage all auditors to pursue and achieve either the CIA, CFE, CPA or MBA designation.

- To train County employees and community groups on ways to help minimize fraud risk.

- To host annual audit and accounting continuing education seminars for in-house employees and surrounding County participants.

“Not what we have, but what we enjoy, constitutes our abundance.” - Epicurus
In February 2016, the Internal Audit Department organized and hosted two (2) continuing education seminars for accountants and auditors employed by Chester County Government and neighboring Berks, Bucks, Lancaster, and Montgomery Counties.

Throughout the year, Internal Audit held four (4) classes for employees and management of Chester County government teaching the importance of internal controls in one’s personal and professional life.

In August and November 2016, the Controller and Deputy Controller hosted free fraud awareness seminars for community members and not-for-profit groups. Internal Audit designed and presented the information to the public.

In September 2016, Sharon Kaye Jones, Internal Audit Manager, achieved her Certified Fraud Examiner designation.

In December 2016, Staff Auditor Pat Lenzi achieved his MBA from West Chester University. (Prior to the issuance of this annual report, Pat accepted a new position outside of Chester County Government. We still consider this achievement noteworthy since Pat successfully completed the necessary courses for his Masters Degree over the past three years while working for the Chester County Internal Audit Department.)
“There is something about the outside of a horse that is good for the inside of a man.” - Winston Churchill