



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

**Management Letter
For the Year Ended
December 31, 2016**

County of Chester
Prison Correction Center

Management Letter

Norman MacQueen, Controller

To: George Roberts, Manager

Introduction

On March 6, 2017, Internal Audit completed an audit of the Prison Correction Center (*Center*) for the year ended December 31, 2016. Sharon Kaye Jones, CIA, CFE was the auditor-in-charge. Internal Audit is required by 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
- Cash Receipts
- Cash Disbursements
- Voided Transactions
- Inmate Welfare Fund
- Escheats / Unclaimed Property

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 March 6, 2017) should be considered in conjunction with this Management Letter.

Executive Summary

For the year ended December 31, 2016, Internal Audit has determined that the *Center'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 *Center* was found to be in compliance with policies and procedures mandated by the County of Chester and/or Prison Management except as outlined on the pages that follow. ***Audit Findings*** and ***Recommendations*** are provided herein for your review, comment and corrective action. The courtesy of a response is requested by March 6, 2017, otherwise in accordance with Internal Audit Policy, the absence of a response by the due date will be inferred as management's acceptance of the finding(s) and recommendation(s).

We thank the management and staff of the *Center* for their cooperation and assistance during the course of this review. Please feel free to contact our office at (610) 344-5913 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

March 6, 2017

COUNTY OF CHESTER
PRISON CORRECTION CENTER
SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash

Cash is reconciled and cash adjustments are 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 – Operating Account

The sample size tested for the year ended 12/31/16 was determined to be 20 out of a population of 509 receipts issued during the year.

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

Cash Disbursements – Operating Account

The sample size tested for the year ended 12/31/16 was determined to be 20 out of a population of 227 checks issued during the year.

Finding 1: Cash Disbursements

In one (1) instance, a weekly check allowance worksheet was not properly signed by the “preparer” in accordance with the *Center’s* policies and procedures.

Cause

Oversight

Recommendation

Internal Audit recommends that the *Center’s* manager ensure that all worksheets are properly signed by the “preparer” prior to him “approving” them.

COUNTY OF CHESTER
PRISON CORRECTION CENTER
SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Disbursements – Operating Account (continued)

Finding 1: Cash Disbursements (continued)

Auditee Response

Please see page 6 for Auditee Response.

Voided Receipts – Operating Account

The sample size tested for the year ended 12/31/16 was determined to be 15 however there were only 8 receipts voided during the year.

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

Voided Disbursements – Operating Account

The sample size tested for the year ended 12/31/16 was determined to be 10 however there were only 4 checks voided during the year.

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

Inmate Welfare Fund

Inmate Welfare Fund cash receipts and disbursements are tested at 100%.

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

Escheats

Monies that have been escheated to the state are tested on a predetermined sample basis. For the year ended 12/31/15, there were no monies escheated.

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

COUNTY OF CHESTER
PRISON CORRECTION CENTER
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2016

An exit conference was not warranted for the audit of the Prison Correction Center. George Roberts, Manager has accepted the report as presented.



THE COUNTY OF CHESTER



COMMISSIONERS
Terence Farrell
Kathi Cozzone
Michelle Kichline

CHESTER COUNTY PRISON
Correctional Center
503 South Wawaset Road
West Chester, PA 19382-6782
(610) 793-9993 Fax: (610) 793-0223

D. Edward McFadden Warden
George E. Roberts Manager
Raymond Rogevich Assist. Manager

March 2, 2017

The County of Chester
Internal Audit Department
314 W. Market Street, Suite 6302
West Chester, PA 19380

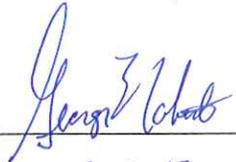
RECEIVED
COUNTY OF CHESTER
CONTROLLER'S OFFICE
2017 MAR -3 PM 2:19

The purpose of this letter is to provide Prison Correction Center Management's response to a finding of the 2016 audit of the Prison Correction Center.

Response to Cash Disbursements-Operating Account Finding 1:

"Prison Correction Center Management concurs with the finding and recommendation".

No additional edits are requested.

Signed: 
Date: 3-2-17

Title: MANAGER