



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

**Management Letter
For the Year Ended
December 31, 2011**

***Magisterial District Court
15-1-01***

Management Letter

A handwritten signature in blue ink that reads "Valentino F. DiGiorgio III".

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Mark Bruno

Introduction

On May 31, 2012 Internal Audit completed an audit of Magisterial District Court 15-1-01 (*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

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 May 31, 2012) should be considered in conjunction with this management letter.

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. A minor finding involving compliance is included within this management letter. Based on Internal Audit's testing and observations, it is our opinion that this deficiency is not the result of negligence or deliberate misconduct, but is instead the consequence of one or more of the following:

- Oversight
- Human error

We want 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 Finding and Recommendation" 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 15-1-01

FINDING AND RECOMMENDATION

FOR THE YEAR ENDED DECEMBER 31, 2011

COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 30 case files out of a total population of 11,533 case files created in 2011. 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 caseload. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Overall Compliance

Internal Audit noted that in one (1) instance, the warrant on a case was not recalled/reissued within 60 days.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the collection procedures as outlined in the District Justice Automated Office Clerical Procedures Manual. Warrants are to be recalled within 60 days of issuance.

Auditee Response

District Court management concurs with the finding and recommendation.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2011

On May 31, 2012 Magisterial District Judge Mark Bruno indicated through a written confirmation that an exit conference would be waived for this year. The finding and recommendation was reviewed and discussed at a Review Meeting held on May 3, 2012. The Magisterial District Judge has accepted the audit report and management letter as presented.