

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



*Management Letter
Magisterial District Court 15-2-01
For the year ended December 31, 2009*

Valentino F. DiGiorgio III
Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Theodore P. Michaels

Introduction

On May 19, 2010, Internal Audit completed an audit of Magisterial District Court 15-2-01 (*District Court*). Carissa M. Petrelia 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 compliance and Internal Control over Financial Reporting concurrent with this management letter. Disclosures and other information in that Report (also dated May 19, 2010) 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 internal control 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 the following:

- Oversight
- Human error.

Internal Audit would like 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 findings" and "Recommendations" for your review and comment.

Please feel free to contact our office at (610) 344-6064 should you have any questions or concerns.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-2-01
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECONCILIATION

Finding 1: Bad Check Fee

Internal Audit noted that the District Court did not collect a bad check fee of \$5.00 from the defendant when final payment was made on their fine.

Recommendation

Internal Audit recommends that the District Court exercise greater care to collect bad check fees from defendants when they make final payment on their fines.

Auditee Response

The clerk handling these transactions did not realize that 3 separate checks were tendered and 2 came back NSF. She thought there was only 1 NSF. We will monitor NSF cases more closely to prevent future errors and contact the bank to see if they will waive their NSF fees.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-2-01
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2009

An exit conference was not warranted for the audit of Magisterial District Court 15-2-01. Magisterial District Judge Theodore P. Michaels chose to accept the report as presented.