

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



*Management Letter  
Magisterial District Court 15-3-06  
For the year ended December 31, 2009*

*Valentino F. DiGiorgio III*

Valentino F. DiGiorgio, III, Controller

**To: Magisterial District Judge Michael J. Cabry III**

**Introduction**

On August 11, 2010, Internal Audit completed an audit of Magisterial District Court 15-3-06 (*District Court*). Gretchen W. Sohn, CIA, was the auditor-in-charge. Internal Audit is required by the Pennsylvania 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 August 11, 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. Minor findings involving compliance are included within this Management Letter.

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 Findings" and "Recommendations" 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 15-3-06**

**FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**I. COMPLIANCE WITH POLICIES AND PROCEDURES**

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 25 case files out of a total population of 5,090 case files created in 2009. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample sizes for each of the tested areas are determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year case load. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Cash Receipts

Internal Audit noted the following:

- In 1 instance, a copy of the cash receipt was not attached to the case file.

Recommendation

Internal Audit recommends that the *District Court* staff exercise greater care in filing all receipts in the appropriate case file to ensure complete and accurate records.

Auditee Response

*District Court management concurs with the audit finding and recommendation.*

Finding 2: Voided Disbursements

Internal Audit noted the following:

- In 2 instances, the case file copy of the voided check was not labeled "void/stale/lost."
- In 1 instance, the signature line of the original check was not cut-out and/or defaced.

**.COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-3-06**

**FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

**I. COMPLIANCE WITH POLICIES AND PROCEDURES**

Finding 2: Voided Disbursements (continued)

Recommendations

Internal Audit recommends that the *District Court* staff exercise greater care in labeling all voided disbursements to ensure complete and accurate records in the case file. Internal Audit also recommends that the signature line on a voided original check be cut-out and/or defaced to deter further use of the check.

Auditee Response

*District Court management concurs with the audit findings and recommendations.*

Finding 3: Overall Compliance

Internal Audit noted the following:

- In 4 instances, the “Civil/Landlord Tenant Worksheet” was not signed/sealed by the Magisterial District Judge.
- In 1 instance, a warrant was not recalled within 60 days of its issuance.

Recommendation

Internal Audit recommends that the *District Court* staff adhere to the procedures regarding the disposition of Civil/Landlord Tenant cases and the procedures regarding the issuance and recalling of warrants as outlined in the District Judge Automated Office Clerical Procedures Manual.

Auditee Response

*District Court management concurs with the audit findings and recommendations.*

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-3-06**

**SUMMARY OF EXIT CONFERENCE**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

An exit conference was not warranted for the 12/31/09 audit of Magisterial District Court 15-3-06. The findings were reviewed and discussed at a closing conference held with the Office Manager on July 28, 2010 and with the Magisterial District Judge on July 29, 2010. Magisterial District Judge Michael J. Cabry III has accepted the Audit Report and Management Letter as presented.