

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



*Management Letter
Magisterial District Court 15-1-05*

For the year ended December 31, 2008

Valentino F. DiGiorgio

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Grover E. Koon

Introduction

On June 11, 2009, Internal Audit completed an audit of Magisterial District Court 15-1-05 (*District Court*). Robert Pinkos, 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 compliance and Internal Control over Financial Reporting concurrent with this management letter. Disclosures and other information in this report (also dated June 11, 2009) 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. Internal Audit noted no matters of a significant nature in the area of compliance or in the overall internal control structure. Internal Audit noted only two minor findings involving compliance, which are included within this Management Letter.

Internal Audit would like to commend the management and staff of the *District Court* for their dedication and hard work performed in the court. Our observations and testing revealed a knowledgeable and well-trained staff.

We 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) 344-5906 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-05

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

I. COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 20 case files out of a total population of 4,310 case files created in 2008. 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 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: Voided Disbursements

Internal Audit noted one instance, where a copy of a voided check was not included in the appropriate case file.

Recommendation

Internal Audit recommends that the staff exercise greater care to ensure all information and documents relating to the case are included in the file. This includes copies of voided checks.

Auditee Response

District Court management concurs with the audit finding and recommendation.

Finding 2: Overall Compliance

Internal Audit noted two instances, where a warrant was not recalled in a timely manner.

Recommendation

Internal Audit recommends that the staff exercise greater care to ensure that warrants are recalled after 60 days from the original issue date.

Auditee Response

District Court management concurs with the audit finding and recommendation.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-05

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

An exit conference was not warranted for the audit of Magisterial District Court 15-1-05. Magisterial District Judge Grover E. Koon has accepted the report as presented.