



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

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

Prison Canteen Fund

Management Letter

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

Valentino F. DiGiorgio, III, Controller

To: Warden D. Edward McFadden

Introduction

On November 5, 2012, Internal Audit completed an audit of the *Chester County Prison Canteen Fund (Canteen)*. Gretchen W. Sohn, CIA was the auditor-in-charge. Internal Audit is required by the Pennsylvania Department of Corrections to review the *Canteen Fund* annually to ensure compliance with laws and regulations of the Commonwealth and to assess the overall internal control structure. The scope of our audit included a review of the following:

- Cash
- Cash Deposits
- Cash Disbursements and Transfers
- Voided Disbursements
- Compliance (Aramark Contract).

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 General 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 this report (also dated November 5, 2012) should be considered in conjunction with this management letter.

Executive Summary

The management and staff of the *Canteen* are, in all material respects, in compliance with laws and regulations set forth by the Pennsylvania Department of Corrections. Internal Audit noted no significant deficiencies or material weaknesses in the overall internal control structure. Minor findings involving internal control are included within this management letter.

We want to thank the staff of the Prison 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
PRISON CANTEEN FUND
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011
INTERNAL CONTROL OVER FINANCIAL REPORTING

AUTHORIZATION

Finding 1: Cash Disbursements

Internal Audit noted that in one (1) instance, the Chester County Check Request Form from Finance was not approved by prison management.

Recommendation

Internal Audit recommends that prison management review the Finance Check Request Form and approve it prior to a check being sent to the County Treasurer.

Auditee Response

Prison management concurs with the finding and recommendation.

RECORDKEEPING

Finding 1: Cash Disbursements

Internal Audit noted that in one (1) instance, the County of Chester Check Request Form from Finance and the applicable support was not on file/attached to the check copy.

Recommendation

Internal Audit recommends that all check disbursements include the appropriate support documents to ensure complete and accurate records.

Auditee Response

Prison management concurs with the finding and recommendation.

COUNTY OF CHESTER

PRISON CANTEEN FUND

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2011

On October 31, 2012, Warden D. Edward McFadden indicated through a written confirmation that an exit conference would be waived for this year. The findings and recommendations were reviewed and discussed with the Warden, Director of Administration, and the Fiscal Coordinator at a review meeting held on October 25, 2012. Warden D. Edward McFadden has accepted the audit report and management letter as presented.