



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

**Management Letter
For the Year Ended
December 31, 2012**

*County of Chester
Office of the Recorder of Deeds*

Management Letter

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Rick Loughery, Recorder of Deeds

Introduction

On July 1, 2013, Internal Audit completed an audit of the *Office of the Recorder of Deeds (Recorder)*. Carissa M. Petrelia was the auditor-in-charge. Internal Audit is required by the Pennsylvania County Code to review county offices annually to ensure compliance with policies and procedures and to assess their overall internal control structure. The scope of our audit included a review of the following:

- Cash and Petty Cash
- Accounts Receivable
- Liabilities
- Cash Receipts
- Cash Disbursements
- Voided Transactions
- Recorder's Record Fund

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 July 1, 2013) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of the *Recorder* are in all material respects, in compliance with policies and procedures imposed by the County of Chester and by the *Recorder*. There were no matters of a significant or insignificant nature related to internal controls or overall compliance noted during this audit.

The management and staff of the *Recorder* should be commended for their dedication to excellence. Internal Audit offers its compliments to an extremely knowledgeable and well-trained staff.

We want to thank the management and staff of the *Recorder* for their cooperation and assistance during the course of this audit.

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

COUNTY OF CHESTER
OFFICE OF THE RECORDER OF DEEDS
SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash and Petty Cash

Cash is reconciled and reviewed at 100%. Petty cash is counted during the course of the on-site fieldwork.

There were no internal control or procedural weaknesses noted.

Liabilities

Liability balances are reconciled and reviewed at 100%; specifically to ensure accurate recording of liabilities and the verification of subsequent payments following year end.

There were no internal control or procedural weaknesses noted.

For the following areas, transactions are reviewed on a sample basis according to risk. The current year risk assessment is based on prior year audit results:

Cash Receipts

Cash receipt transactions are reviewed on a sample basis according to risk. The sample size tested for the year ended 12/31/12 was 20 out of a population of 58,125 receipts generated in 2012.

There were no internal control or procedural weaknesses noted within our sample.

COUNTY OF CHESTER

OFFICE OF THE RECORDER OF DEEDS

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Disbursements

Cash disbursement transactions are reviewed on a sample basis according to risk. The sample size tested for the year ended 12/31/12 was as follows:

Recording Account - 1 out of a population of 25 disbursements (checks) generated in 2012.

Municipal Account - 19 out of a population of 998 disbursements (checks) generated in 2012.

There were no internal control or procedural weaknesses noted within our sample.

Voided / Corrected Receipts

The *Recorder* had the ability to void receipts; however it is not normal practice to do so, instead the office has chosen to correct receipts. Voided / Corrected receipt transactions are reviewed on a sample basis according to risk. The sample size tested for the year ended 12/31/12 was 15 out of a population of 40 receipts voided in 2012.

There were no internal control or procedural weaknesses noted within our sample.

Voided Disbursements

Voided disbursement transactions are reviewed on a sample basis according to risk. The sample size tested for the year ended 12/31/12 was 2 out of a population of 2 disbursements (checks) voided in 2012.

There were no internal control or procedural weaknesses noted within our sample.

COUNTY OF CHESTER
OFFICE OF THE RECORDER OF DEEDS
SUMMARY OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

Recorder Records Fund

The Recorder Records Fund is reconciled and reviewed at 100%; specifically to ensure that the money is being utilized in accordance with appropriate laws and regulations.

There were no internal control or procedural weaknesses noted within our sample.

COUNTY OF CHESTER
OFFICE OF THE RECORDER OF DEEDS
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2012

An exit conference was not warranted for the audit of the Office of the Recorder of Deeds; Recorder of Deeds, Rick Loughery has accepted the report as presented.