



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

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

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*County of Chester*  
*Magisterial District Court*  
*15-3-01*

Management Letter

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Valentino F. DiGiorgio, III, Controller

**To: Magisterial District Judge James V. DeAngelo**

**Introduction**

On December 17, 2013, Internal Audit completed an audit of Magisterial District Court 15-3-01 (*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 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 December 17, 2013) 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 significant deficiencies or material weaknesses in the overall internal control structure.

Internal Audit did, however, note matters of a lesser significance involving undisbursed funds and escheated checks. These matters have been included within this management letter. Based on Internal Audit's testing and observations, it is our opinion that these deficiencies are not the result of negligence or deliberate misconduct, but are instead the consequence of one or more of the following:

- Oversight
- Human error

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) 344-6064 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-01

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

**Cash and Petty Cash**

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

There were no internal control or procedural weaknesses noted.

**General Finding**

Finding 1: Escheats

Internal Audit noted that in one (1) instance, a check was not escheated in a timely manner.

Recommendation

Internal Audit recommends that the *District Court* staff adhere to the stale-dated check procedures as outlined in the District Judge Automated Office Clerical Procedures Manual.

Auditee Response

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

***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.***

**Undisbursed Funds**

The sample size tested for the year ended 12/31/12 was determined to be 15; however there was only a total population of 7 cases which were greater than or equal to 90 days.

Finding 2: Undisbursed Funds

Internal Audit noted that in two (2) instances, funds were not applied/disbursed in a timely manner.

**COUNTY OF CHESTER**  
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**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
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Finding 2: Undisbursed Funds (continued)

Recommendation

Internal Audit recommends that the *District Court* applies/disburses funds as soon as allowable on cases which have been adjudicated and/or closed as directed by the District Justice Automated Office of Clerical Procedures Manual. To this end, the Undisbursed Funds Report should be reviewed/ monitored on a monthly basis.

Auditee Response

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

**Cash Receipts**

The sample size tested for the year ended 12/31/12 was determined to be 20 out of a population of 6,541 receipts issued during the year.

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

**Manual Receipts**

There was 1 manual receipt used and tested for the year ended 12/31/12.

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

**Cash Disbursements**

The sample size tested for the year ended 12/31/12 was determined to be 20 out of a population of 577 checks issued during the year.

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

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**MAGISTERIAL DISTRICT COURT 15-3-01**

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**Voided Receipts**

The sample size tested for the year ended 12/31/12 was determined to be 15 out of a population of 91 receipts voided during the year.

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

**Voided Disbursements**

The sample size tested for the year ended 12/31/12 was determined to be 10 out of a population of 23 disbursements voided during the year.

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

**Overall Compliance**

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 4,079 case files created in 2012. The sample size was divided equally among the four (4) case types: traffic, non-traffic, civil/landlord tenant, and criminal.

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

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-3-01**

**SUMMARY OF EXIT CONFERENCE**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

An exit conference was not warranted for the audit of Magisterial District Court 15-3-01. Magisterial District Judge James V. DeAngelo chose to accept the report as presented.