

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



*Management Letter
Office of Adult Probation
For the year ended December 31, 2007*

Valentino F. DiGiorgio, III

Valentino F. DiGiorgio, III, Controller

To: Christopher Murphy, Chief Probation Officer

Introduction

On April 18, 2008, Internal Audit completed an audit of the *Office of the Clerk of Courts (Clerk)* and *Adult Probation (APO)*. Sharon Kaye Jones, CIA was the auditor-in-charge and was assisted by 2 additional members of the audit team. Internal Audit is required by Pennsylvania County Code to review county offices annually to ensure compliance with policies and procedures and to assess their overall control structure. The scope of the audit included a review of the following:

- Cash and Petty Cash
- Liabilities
- Manual Receipts
- Cash Receipts
- Cash Disbursements
- Voided Transactions
- Automation Fund
- Unclaimed Property – Escheats

Executive Summary

The management and staff of *APO* are, in all material respects, in compliance with policies and procedures imposed by the County of Chester and the Commonwealth of Pennsylvania. Yet, despite their overall compliance, Internal Audit did identify a few minor internal control and procedural weaknesses. These inadvertencies do not appear to be the result of deliberate misconduct but instead seem to be accidental errors and oversights. They are outlined within this management letter.

Although this audit combined the work of the *Clerk* and *APO*, management has requested that two separate reports be issued, each one independent of the other. Matters specific to the *Clerk* are detached from this document and included in the management letter addressed to the Clerk of Courts.

Internal Audit would like to thank the management and staff of the *Clerk* and *APO* for their cooperation and assistance during the course of this audit. Please feel free to contact our office at (610) 344-5913 should you have any questions or concerns.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 1: Manual Receipts

In 1 instance, information on the manual receipt was not properly entered in to the state CPCMS system.

In 2 instances, the manual receipt number was not entered into the state CPCMS system. As a result, the transactions did not appear on the system's manual receipt report.

Recommendation

Internal Audit would like to emphasize the importance of entering information from manual records into the computerized system accurately, entirely and in a timely manner.

Auditee Response

Both errors were oversights.

II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Cash

In 265 instances, a stale dated check was not properly voided in a timely manner.

Recommendation

Disbursements that remain outstanding for a period that exceeds the official *void date* printed on the check (previously 60 days / now 180 days) should be considered stale and non-negotiable. These checks should be removed from the list of "outstanding items", voided, and held until proper due diligence has been performed. Should follow-up

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II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Cash (continued)

Recommendation

procedures prove unsuccessful, the items should then be held for future escheatment to the state.

Auditee Response

All stale dated checks with void after 60 days have since been voided within the CPCMS system. All checks now are in the “held disbursement” query.

Finding 2: Voided Disbursements

In 15 instances, the office copy of a voided check was not properly marked “void”.

Recommendation

Internal Audit would like to emphasize the need to properly cancel office copies of voided disbursements. Such documentation is necessary to provide complete and accurate accounting records.

Auditee Response

All office copies of voided checks have since been marked “void”.

Voided checks that have a replacement check produced will be replaced on the same day so we can reference the new check number.

COUNTY OF CHESTER
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SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2007

Due to the nature of the audit findings and recommendations, an exit conference was not warranted for the 2007 audit. Management of the Office of Adult Probation has chosen to accept the report as presented.