

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



*Management Letter  
Office of the Clerk of Courts  
For the year ended December 31, 2007*

*Valentino F. DiGiorgio*

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Valentino F. DiGiorgio, III, Controller

**To: Teena A. Peters, Clerk of Courts**

**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 the *Clerk* 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 *APO* are detached from this document and included in the management letter addressed to the Chief Probation Officer.

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 THE CLERK OF COURTS**  
**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, all three parts of a manual receipt that had been voided were not attached to the manual receipt book.

In 1 instance, a manual receipt was not properly marked “void”. The receipt was unusable since the yellow and pink carbon copies contained information from a previous receipt. The top (white) copy was left blank.

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 retaining all source documents in order to provide complete and accurate accounting records. In addition, cancelled transactions should be noted as such and again, maintained in their entirety. Information from manual records should also be entered into the computerized system in a timely manner.

Auditee Response

**Responses provided by Clerk of Courts are summarized on page 5.**

**II. COMPLIANCE WITH POLICIES AND PROCEDURES**

Finding 1: Cash

In 1 instance, a check was not escheated to the Commonwealth in a timely manner.

In 1 instance, a stale dated check was not properly voided in a timely manner.

COUNTY OF CHESTER

OFFICE OF THE CLERK OF COURTS

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Cash (continued)

Recommendation

Checks that remain outstanding for a period of 5 years should be properly escheated to the state as “Unclaimed”. Similarly, 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 procedures prove unsuccessful, the items should then be held for future escheatment.

Auditee Response

**Responses provided by Clerk of Courts are summarized on page 5.**

Finding 2: Voided Transactions

In 3 instances, a voided receipt was not referenced to its replacement.

In 1 instance, the reason for voiding a receipt was not documented.

In 1 instance, a voided check was not referenced to a replacement or annotated that there was no replacement.

Recommendation

Internal Audit would like to remind the *Clerk* that all voided receipts and disbursements should be properly referenced to their replacement if applicable or annotated that there is no replacement. Such documentation is necessary to provide complete and accurate accounting records.

Auditee Response

**Responses provided by Clerk of Courts are summarized on page 5.**

**COUNTY OF CHESTER**  
**OFFICE OF THE CLERK OF COURTS**  
**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 the Clerk of Courts has chosen to accept the report as presented.



# THE COUNTY OF CHESTER



## OFFICE OF THE CLERK OF COURTS

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TEENA A. PETERS  
Clerk of Courts

NANCY D. McCLAY  
First Deputy

To: Valentino F. DiGiorgio, III, Controller  
From: Teena A. Peters, Clerk of Courts *tap*  
Re: Auditee Clerk of Courts' Response to 2007 Audit  
Date: April 16, 2008

The Clerk of Courts acknowledges and understands the findings of the 2007 audit. Those findings will be used as a tool for implementing future management policy. In addition, the Clerk of Courts makes the following responses to the findings of the Audit and Management Letter:

### I. Internal Control Findings and Recommendations

#### Recording / Recordkeeping – Finding 1: Manual Receipts

The Office of the Clerk of Courts acknowledges these findings and will comply with the recommendations.

### II. Compliance with Policies and Procedures

#### Finding 1: Cash.

The Office of the Clerk of Courts acknowledges these findings and will comply with the recommendations.

#### Finding 2: Voided Transactions.

The Office of the Clerk of Courts acknowledges this finding and will comply with the recommendations regarding timely escheats. In regard to checks which remain *uncashed* after 180 days, the Clerk of Courts will attempt due diligence for such checks and, if due diligence is not successful, will void such checks immediately prior to escheating funds to the Commonwealth for checks which remain uncashed for five years. We will continue to carry "stale" checks as outstanding disbursements on our books because our bank will honor such checks if presented.