

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



*Management Letter
Magisterial District Court 15-1-01
For the year ended December 31, 2007*

Valentino F. DiGiorgio

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Mark Bruno

Introduction

On August XX, 2008, Internal Audit completed an audit of Magisterial District Court 15-1-01 (*District Court*). Gretchen W. Sohn, CIA, 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 Judge 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.

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 Judge Administration. Minor findings involving internal controls and compliance are 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:

- Oversights
- Human error.

We would like 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) 344-6797 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

Reconciliation

Finding 1: Bank Account

Internal Audit noted that a deposit and the offsetting deposit adjustment were left outstanding by the *District Court* when performing their bank reconciliation for December, 2007 month-end.

Recommendation

Internal Audit recommends that the *District Court* exercise greater care when performing the month-end bank account reconciliation. Deposits, with the exception of deposits in transit, and deposit adjustments should never be left outstanding.

Auditee Response

District Court management concurs with the finding and recommendation.

II. COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 30 case files out of a total population of 14,938 case files created in 2007. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample size for the tested areas was determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year caseload. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Voided Disbursements

Internal Audit noted the following:

- In 1 instance, a voided check copy was not attached to the case file.
- In 1 instance, a copy of the replacement check was not attached to the case file.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Voided Disbursements (continued)

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to void check procedures pursuant to the District Court Handbook/Administrative Procedures (Rev. 5/04 – DJA). Voided checks and replacement checks should be filed in the appropriate case file to ensure complete and accurate documentation of actions on the case.

Auditee Response

District Court management concurs with the findings and recommendation.

Finding 2: Overall Compliance

Internal Audit noted the following:

- In 3 instances, the warrant on a case was not recalled/reissued within 60 days.
- In 2 instances, the certified mail costs were included in the judgment costs on civil cases.
- In 1 instance, a warrant was not issued timely for non-response to a parking summons.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the collection procedures as outlined in the District Justice Automated Office Clerical Procedures Manual. Also, since certified mail expenses are not taxable as costs under 42 Pa C.S.A. 1725.1 (a), they shall not be included as costs in any judgment rendered against a defendant.

Auditee Response

District Court management concurs with the findings and recommendation.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2007

On September 16, 2008, Magisterial District Judge Mark Bruno indicated through a written confirmation that an exit conference would be waived for this year. The Magisterial District Judge has accepted the Audit Report and Management Letter as presented.