

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



*Management Letter  
Magisterial District Court 15-2-06*

*For the year ended December 31, 2007*

*Valentino F. DiGiorgio III*

Valentino F. DiGiorgio, III, Controller

**To: Magisterial District Judge Rita Arnold**

**Introduction**

On May 20, 2008, Internal Audit completed an audit of Magisterial District Court 15-2-06 (*District Court*). Carissa M. Petrelia was the auditor-in-charge. Internal Audit is required by the Pennsylvania 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.

**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. The audit disclosed one internal control weakness as well as a minor finding involving compliance with policies and procedures. These matters have all been included within this Management Letter.

Internal Audit would like to thank the management and staff of the *District Court* 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**

**MAGISTERIAL DISTRICT COURT 15-2-06**

**FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

**RECORDING / RECONCILIATION**

**Finding 1: Cash**

Internal Audit noted the following:

- In 2 instances, the District Court did not request reimbursement for fees assessed them from their credit card company.

**Recommendation**

Internal Audit recommends that the *District Court* follow proper procedures for requesting reimbursement from the County for fees charged.

**Auditee Response**

*District Court management concurs with the findings 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 25 case files out of a total population of 8,942 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 sizes for the tested areas were determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year case load. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

**Finding 1: Undisbursed Funds**

Internal Audit noted the following:

- In 1 instance, funds were not disbursed or applied in a timely manner.

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**II. COMPLIANCE WITH POLICIES AND PROCEDURES (Continued)**

Finding 1: Undisbursed Funds (continued)

Recommendation

Internal Audit recommends that the *District Court* review items on the undisbursed funds report monthly so that monies may be applied or refunded in a timely manner.

Auditee Response

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

Finding 2: Cash Disbursements

Internal Audit noted the following:

- In 2 instances, checks were disbursed without an authorized signature.

Recommendation

Internal Audit recommends that members of the staff exercise greater care to ensure that disbursement checks contain an authorized signature.

Auditee Response

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

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-2-06**

**SUMMARY OF EXIT CONFERENCE**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

An exit conference was not warranted for the audit of Magisterial District Court 15-2-06. Magisterial District Judge Rita Arnold chose to accept the report as presented.