

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



*Management Letter  
Magisterial District Court 15-3-07  
For the year ended December 31, 2007*

*Valentino F. DiGiorgio*

Valentino F. DiGiorgio, III, Controller

**To: Magisterial District Judge Nancy A. Gill**

**Introduction**

On September 12, 2008, Internal Audit completed an audit of Magisterial District Court 15-3-07 (*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 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. Internal Audit noted no significant deficiencies or material weaknesses in the overall internal control structure.

Internal Audit did, however, note several matters of a lesser significance involving internal controls and compliance with policies and procedures. These matters have all 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:

- Oversights
- Human Error
- New Office Manager

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. 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 15-3-07**  
**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 1 instance, 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

*Office Manager was unaware of this procedure since this was the first time that fees were assessed from Credit Card Co. since the Office Manager was hired.*

RECORDKEEPING

Finding 1: Overall Compliance

Internal Audit noted the following:

- In 7 instances, Internal Audit was unable to verify the attribute that stated, “citations were dated stamped and initialed by the clerk upon receipt into the District Court”, because supporting documentation was not available.

Recommendation

Internal Audit recommends that the *District Court* make sure that all supporting documentation is readily available.

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-3-07**  
**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

RECORDKEEPING

Finding 1: Overall Compliance (continued)

Auditee Response

*New Office Manager now has employees date stamp and initial all incoming citations.*

**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 7,660 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: Voided Receipts

Internal Audit noted the following:

- In 1 instance, a receipt was not marked "void".

Recommendation

Internal Audit recommends that the *District Court* exercise greater care to ensure that voided receipts are marked "void".

Auditee Response

*District Court management concurs with the finding and recommendation*

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-3-07**  
**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**II. COMPLIANCE WITH POLICIES AND PROCEDURES**

Finding 2: Voided Disbursements

Internal Audit noted the following:

- In 5 instances, stale dated checks were not escheated in a timely manner.

Recommendation

Internal Audit recommends that *District Court* management monitor the list of outstanding checks monthly in order to perform due diligence and to escheat stale dated checks in a timely manner.

Auditee Response

*This procedure has been put in place and the new Office Manager monitors outstanding checks on a monthly basis.*

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-3-07**

**SUMMARY OF EXIT CONFERENCE**

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

An exit conference was not warranted for the audit of Magisterial District Court 15-3-07. Magisterial District Judge Nancy A. Gill chose to accept the report as presented.