

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



*Management Letter  
Chester County Prison Canteen Fund  
For the year ended December 31, 2006*

*Valentino F. DiGiorgio, III*

Valentino F. DiGiorgio, III, Controller

**To: Warden D. Edward McFadden**

**Introduction**

On December 5, 2007, Internal Audit completed an audit of the *Chester County Prison Canteen Fund (Canteen)*. Gretchen W. Sohn, CIA was the auditor-in-charge. Internal Audit is required by the Pennsylvania Department of Corrections to review the *Canteen Fund* annually to ensure compliance with laws and regulations of the Commonwealth and to assess the overall internal control structure. The scope of our audit included a review of the following:

- Cash and Petty Cash
- Cash Disbursements
- Voided Disbursements
- Compliance (KCN Contract).

**Executive Summary**

The management and staff of the *Canteen* are, in all material respects, in compliance with laws and regulations set forth by the Pennsylvania Department of Corrections. Internal Audit noted no matters of a significant nature in the areas of compliance and the overall internal control structure. Minor findings involving internal controls are included within this Management Letter.

We would like to thank the staff of the Chester County Prison 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**  
**CHESTER COUNTY PRISON CANTEEN FUND**  
**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

**Recordkeeping**

Finding 1: Cash Disbursements

Internal Audit noted the following:

- In 4 instances, a Canteen Wages Time Sheet was not on file to support the disbursement.
- In 1 instance, there was no support/documentation for a miscellaneous disbursement reimbursing an inmate.

Recommendation

Internal Audit recommends that Prison staff exercise greater care to ensure that all check disbursements are supported with the appropriate documentation.

Auditee Response

*Prison management concurs with the findings and recommendation.*

**Recording**

Finding 1: Cash Disbursements

Internal Audit noted the following:

- In 1 instance, a check was used/recorded out of sequence.

Recommendation

Internal Audit recommends that all checks be used and recorded in numeric sequence.

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**FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

**Recording**

Finding 1: (continued)

*Auditee Response*

*Prison management concurs with the finding and recommendation.*

Finding 2: Voided Disbursements

Internal Audit noted that void check #4290 was entered in the system with the information from void check #4291. Check #4291 was not entered in the system at all.

Recommendation

Internal Audit recommends that all voided check #'s be entered in the system and with the correct information.

*Auditee Response*

*Prison management concurs with the finding and recommendation.*

**Authorization**

Finding 1: Cash Disbursements

Internal Audit noted the following:

- In 4 instances, the check request originating in the County Finance Department was not approved.

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**FINDINGS AND RECOMMENDATIONS**  
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**I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS**

**Authorization**

Finding 1: (continued)

- In 1 instance, a Canteen Fund check was signed by only 1 authorized signer when 2 signatures are required.
- In 1 instance, the check request originating in the County Finance Department was approved by prison personnel when it should have been approved by Finance personnel.

Recommendation

Internal Audit recommends that all check requests originating in the County Finance Department contain the appropriate approval before being forwarded to the prison. Internal Audit also recommends that prison management adhere to the “dual signature” requirement on the Canteen Fund bank account.

Auditee Response

*Prison management concurs with the findings and recommendation.*

**COUNTY OF CHESTER**  
**CHESTER COUNTY PRISON CANTEEN FUND**  
**SUMMARY OF EXIT CONFERENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

An exit conference was not warranted for the audit of the Prison Canteen Fund. Warden D. Edward McFadden has accepted the Audit Report and Management Letter as presented.