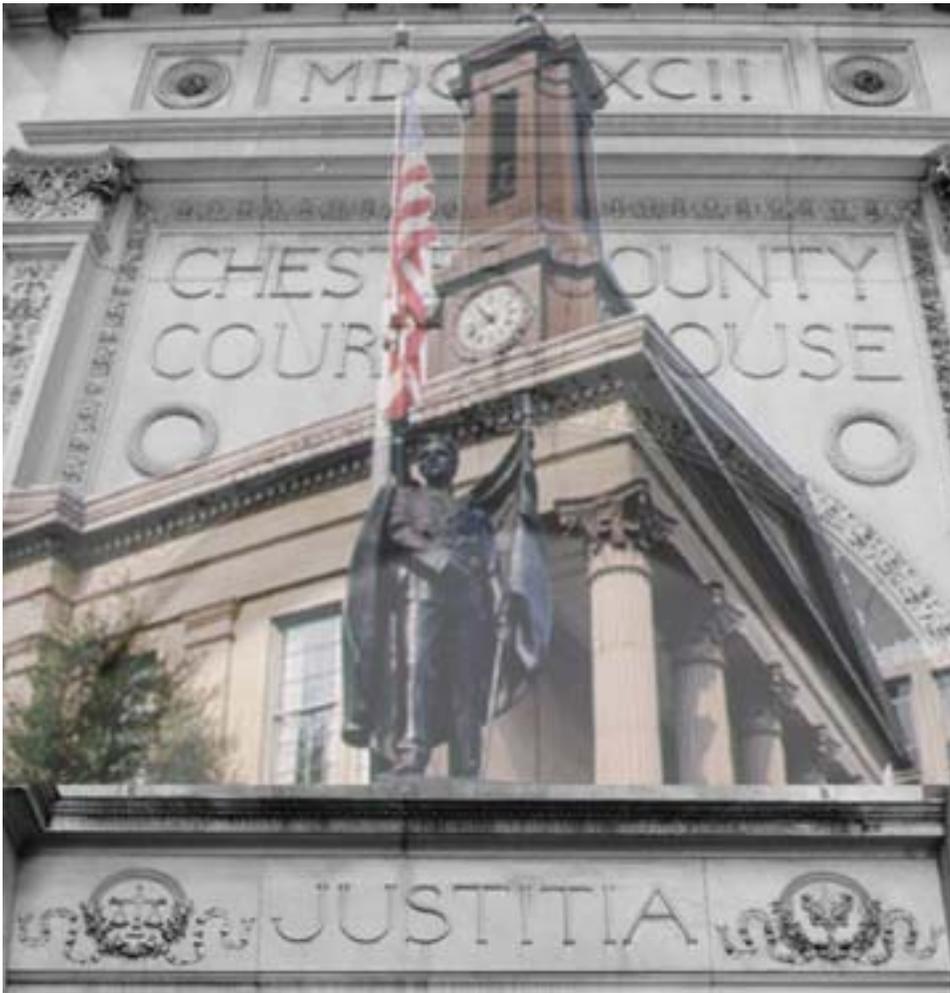


*The County of Chester
Office of the Controller
Internal Audit Department*



*Management Letter
Magisterial District Court 15-4-01
For the year ended December 31, 2006*

Valentino F. DiGiorgio, III

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Jeremy Blackburn

Introduction

On October 10, 2007, Internal Audit completed an audit of Magisterial District Court 15-4-01 (*District Court*). Gretchen W. Sohn, CIA was the auditor-in-charge and was assisted by one additional auditor. 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 matters of a significant nature in the area of compliance, or in the overall internal control structure. A minor finding involving compliance is included within this Management Letter. Our observations and testing revealed a knowledgeable and well-trained staff.

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 15-4-01
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2006

I. COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies, procedures, and regulations, Internal Audit selected a statistical sample of 25 case files out of a total population of 6,332 case files created in 2006. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample sizes for each of the tested areas are 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 6 instances, funds were not refunded and/or applied in a timely manner.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of disbursing funds as soon as allowable on cases that have been closed and/or adjudicated. The Undisbursed Funds Report should be reviewed on a monthly basis.

Auditee Response

See management's response on page 4.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-4-01

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2006

On October 23, 2007, Magisterial District Judge Jeremy M. Blackburn indicated through a written confirmation, that an exit conference would be waived this year. The Magisterial District Judge has accepted the Audit Report and Management Letter as presented.

COMMONWEALTH OF PENNSYLVANIA



COUNTY OF CHESTER

Magisterial District 15-4-01
Chesterbrook Shopping Ctr
500 Chesterbrook Blvd,
Ste C6
Wayne, PA 19087
October 23, 2007

MAGISTERIAL DISTRICT JUDGE
JEREMY M. BLACKBURN

OFFICE:
TEL 610-647-6533
FAX 610-647-6535

County of Chester
Office of the Controller
2 North High Street, Ste 540
West Chester, PA 19380-0991

Dear Gretchen W. Sohn, CIA,

The following three findings I disagree with:

NT-92-06 – Hrg 12-21-06, refund 1-4-07. Check issued 14 days after disposition.

NT-73-06 – Hrg 12-19-06, refund 1-4-07. Check issued 16 days after disposition.

NT-106-06 – Hrg 12-19-06, refund 1-4-07. Check issued 16 days after disposition.

The rule of issued refunds within a certain amount of time is not stated in any AOPC or Supreme Court regulatory requirement based on a rule or procedure to conform with. Hopefully a rule or procedure will be developed before the next audit. The courts action plan is to pay a closer attention and will make notes if the Office Manager is not available to issue the checks, as per instructed by the County Auditor.

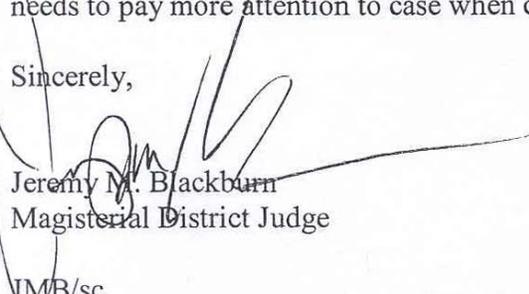
The following three findings I agree with that actions should have been taken in a timelier manner as a result action plans have been stated after findings:

TR-4664-05 – Action plan - Look @ undisbursed funds at the end of every month. All staff gets copy for their department.

CR-78-06 – Hrg 9-1-06 WAV, ck to Clerk of Courts 1-31-07. Staff not creating a check after disposition. Staff needs to pay more attention to case when bail entered.

CR-93-06 – Hrg 12-1-06 WD, refund to def 1-31-07. Staff not creating a check after disposition. Staff needs to pay more attention to case when closing out.

Sincerely,



Jeremy M. Blackburn
Magisterial District Judge

JMB/sc