



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

**Management Letter  
For the Year Ended  
December 31, 2014**

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***County of Chester  
Magisterial District Court  
15-4-01***

**Management Letter**

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Norman MacQueen, Controller

**To: Magisterial District Judge Analisa Sondergaard**

**Introduction**

On December 18, 2015, Internal Audit completed an audit of Magisterial District Court 15-4-01 (*District Court*). Carissa M. Petrelia 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 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
- Escheats/Stale Dated Checks

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards* published by the Comptroller of the United States. We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters concurrent with this management letter. Disclosures and other information in that Report (also dated December 18, 2015) should be considered in conjunction with this Management Letter.

**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. 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:

- Human error
- Oversight

We want 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 15-4-01**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Cash and Petty Cash**

Cash is reconciled and cash adjustments are reviewed at 100%. Petty cash is counted during the course of the on-site fieldwork.

Finding 1: Cash Adjustment

In one (1) instance, the District Court appropriately processed a credit adjustment; however this adjustment did not have an offsetting debit adjustment.

Recommendation

Internal Audit recommends that the *District Court* review all debit and credit adjustments during the year to ensure that they have corresponding offsetting entries. It is further recommended that *District Court* management work with District Justice Administration to resolve the existing out of balance condition on the books.

Auditee Response

*See page 6 for Auditee Response.*

***For the following areas, transactions are reviewed on a sample basis according to risk. The current year risk assessment is based on prior year audit results.***

**Undisbursed Funds**

The sample size tested for the year ended 12/31/14 was determined to be 10 out of a total population of 16 cases which were greater than or equal to 90 days.

There were no internal control or procedural weaknesses noted within our sample.

**Cash Receipts**

The sample size tested for the year ended 12/31/14 was determined to be 20 out of a population of 11,780 receipts issued during the year.

There were no internal control or procedural weaknesses noted within our sample.

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-4-01**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Manual Receipts**

There were no manual receipts used in 2014.

**Cash Disbursements**

The sample size tested for the year ended 12/31/14 was determined to be 20 out of a population of 752 checks issued during the year.

There were no internal control or procedural weaknesses noted within our sample.

**Voided Receipts**

The sample size tested for the year ended 12/31/14 was determined to be 15 out of a population of 86 receipts voided during the year.

There were no internal control or procedural weaknesses noted within our sample.

**Voided Disbursements**

The sample size tested for the year ended 12/31/14 was determined to be 10 out of a population of 45 disbursements voided during the year.

**Finding 2: Voided Disbursements**

Internal Audit noted that the system check information for a group of 7 checks issued in September 2014 did not match the corresponding physical check. As a result, it appears that the checks were printed out of sequence.

**Recommendation**

Internal Audit recommends that the *District Court* staff takes steps to ensure that checks are properly loaded into the printer in numerical sequence. Any errors should be voided and reprinted to reflect the correct information and provide for an accurate reconciliation.

**Auditee Response**

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

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-4-01**  
**SUMMARY OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Escheat/Stale Dated Checks**

Escheats were reviewed at 100% for timeliness. In addition, 10 out of a population of 32 escheated items were tested for compliance with escheat/stale dated check procedures.

Finding 3: Escheats

Internal Audit noted that in seven (7) instances, a check was not escheated in a timely manner.

Recommendation

Internal Audit recommends that the *District Court* staff adhere to the stale-dated check procedures as outlined in the District Judge Automated Office Clerical Procedures Manual.

Auditee Response

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

**COUNTY OF CHESTER**  
**MAGISTERIAL DISTRICT COURT 15-4-01**  
**SUMMARY OF EXIT CONFERENCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

An exit conference was not warranted for the audit of Magisterial District Court 15-4-01. Magisterial District Judge Analisa Sondergaard chose to accept the report as presented.

COMMONWEALTH OF PENNSYLVANIA



COUNTY OF CHESTER

Magisterial District 15-4-01  
Chesterbrook Shopping  
Center  
500 Chesterbrook Blvd.  
Suite C6  
Wayne, PA 19087

MAGISTERIAL DISTRICT JUDGE  
ANALISA SONDERGAARD

OFFICE:  
TEL 610-647-6533  
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December 11, 2015

Office of the Controller  
313 West Market Street, Suite 6302  
P.O. Box 2748  
West Chester, PA 19380-2014  
Attn: Carissa M. Petrelia

Re: District Court 15-4-01 Audit Response

Ms. Petrelia,

Kindly include the following as an addition to the draft Court response to the 2014 audit:

Auditee Response to Finding 1: Cash Adjustments

By way of further response, the Office Manager resolved the \$0.06 bank error with a debit adjustment on the November bank statement, which was reconciled on December 8, 2015.

Thank you for your attention in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Analisa Sondergaard".

Analisa Sondergaard  
Magisterial District Judge, 15-4-01