



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

**Management Letter  
For the Year Ended  
December 31, 2016**

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***County of Chester  
Magisterial District Court  
15-2-07***

**Management Letter**

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Norman MacQueen, Controller

**To: Magisterial District Judge Lori Novak-Donatelli**

**Introduction**

On September 5, 2017, Internal Audit completed an audit of Magisterial District Court 15-2-07 (*District Court*) for the year ended December 31, 2016. Christian J. Kriza 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 September 5, 2017) should be considered in conjunction with this Management Letter.

**Executive Summary**

For the year ended December 31, 2016, Internal Audit has determined that the *District Court's* system of internal controls is adequately *designed, in-place* and *operative*. The results of this audit indicate that, in all material respects:

- Assets are properly safeguarded from employee theft, robbery and unauthorized use
- Responsibility / Authority is established and assigned to specific individuals
- Duties (specifically authorization, custody and recordkeeping) are properly segregated
- Documents are available to provide evidence that transactions and events have occurred
- Transactions and events are properly recorded in a timely manner
- Reconciliations of internal records with bank statements occur monthly.

In addition, the District Court was found to be in compliance with policies and procedures mandated by the County of Chester and the Administrative Office of Pennsylvania Courts.

We thank the management and staff of the *District Court* for their cooperation and assistance during the course of this review. Please feel free to contact our office at (610) 344-5906 should you have any questions or concerns or if you wish to schedule an exit conference. An exit

conference is held at the request of the auditee to discuss specific concerns that were not resolved during the closing conference.

A final copy of this management letter and the corresponding Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters will be transmitted electronically to your attention upon receipt of your responses. In addition, since audit reports are a matter of public record, your final report and management letter will be posted on the Controller's webpage within one week of issuance.

A handwritten signature in blue ink, appearing to read 'N MacQueen', with a large circular flourish at the end.

Norman MacQueen  
Controller

September 5, 2017

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-2-07**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**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.

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

*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 12/31/16 was determined to be 11 out of a total population of 11 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 12/31/16 was determined to be 20 out of a population of 8,423 receipts issued during the year.

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

**Manual Receipts**

There were no manual receipts used in 2016.

**Cash Disbursements**

The sample size tested for the year ended 12/31/16 was determined to be 20 out of a population of 514 checks issued during the year.

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

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-2-07**

**SUMMARY OF FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Voided Receipts**

The sample size tested for the year ended 12/31/16 was determined to be 15 out of a population of 72 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 12/31/16 was determined to be 12 out of a population of 33 disbursements voided during the year.

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

**Escheat/Stale Dated Checks**

Escheats were reviewed at 100% for timeliness. In addition, 10 out of a population of 25 escheated items were tested for compliance with escheat/stale dated check procedures.

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

**COUNTY OF CHESTER**

**MAGISTERIAL DISTRICT COURT 15-2-07**

**SUMMARY OF EXIT CONFERENCE**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

An exit conference was not warranted for the audit of Magisterial District Court 15-2-07. Magisterial District Judge Lori Novak-Donatelli chose to accept the report as presented.