County of Chester
Office of the Sheriff

Management Letter

Margaret Reif, Controller
Office of the Sheriff - Executive Summary

Are there any MAJOR issues that require management’s immediate action and/or attention?  
(Sufficient controls are not in place to address the associated risk.)  
No

Are there any LESSER SIGNIFICANT issues that require management’s action and/or attention?  
(Process is not critical to the overall operation.)  
No

Are there any MINOR issues that do not require management’s action and/or attention?  
(Sufficient controls are in place and issue is strictly a result of human error and oversight.)  
Yes

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<th>Recap of Findings Identified</th>
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Margaret Reif, Controller
Introduction

On December 19, 2019, Internal Audit completed an audit of the Office of the Sheriff (Sheriff) for the year ended December 31, 2018. Christian J. Kriza was the auditor-in-charge and was assisted by one other member of the audit staff. Internal Audit is required by Pennsylvania County Code to review county offices annually to ensure compliance with policies and procedures and to assess their overall internal control structure. The scope of the audit included a review of the following:

- Cash and Petty Cash
- Imprest Fund
- Liabilities / Accounts Receivable
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Escheats
- Weapons Inventory

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General 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, 2019) should be considered in conjunction with this Management Letter.

Summary and Opinion

For the year ended December 31, 2018, Internal Audit has determined that the Sheriff’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 Sheriff was found to be in compliance with policies and procedures mandated by the County of Chester and by the Sheriff except as outlined on the pages that follow. These matters have been previously discussed with the Sheriff and are provided herein for comment and/or corrective action. A final copy of this report will be transmitted electronically to you upon receipt of your responses. In addition, since audit reports are a matter of public record, your final report will be posted on the Controller’s webpage within one week of issuance.
**Methodology**

*Internal Audit interviewed key personnel, observed operations, reviewed written policies, procedures, system reports and source documents, and tested specific transaction activity where applicable.*

*Cash* is reconciled and reviewed at 100%.

*Petty cash* is counted during the course of the on-site fieldwork. Outstanding vouchers are reviewed.

*Imprest fund account* is reconciled and reviewed at 100%. A sample of reimbursement checks are tested for compliance with department and County policies and procedures. For the year ended 12/31/18, 10 reimbursement checks out of a population of 15 checks generated during 2018 were tested to verify that proper procedures were followed.

*Liability balances* are reconciled and reviewed at 100%.

*Accounts receivable balances* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was 10 out of a population of 47 outstanding accounts receivable balances reported.

*Cash receipts* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was 20 out of a population of 24,520 receipts generated in 2018.

*Manual receipts* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was determined to be 2 out of a population of 2 manual receipts generated in 2018.

*Cash disbursements* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was as follows:
  - 20 Operating Account disbursements out of a population of 9,493 checks created in 2018.
  - 10 material Operating Account disbursements out of a population of 108 material checks.
    (Material is defined as ≥ $50,000.)

*Voided receipts* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was 16 out of a population of 337 receipts voided in 2018.

*Voided disbursements* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was 11 out of a population of 307 disbursements voided in 2018.

*Escheats* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was 10 out of a population of 28 unclaimed property transactions.

*Weapons* are tested on a sample basis. The sample size tested for the year ended 12/31/18 was as follows:
  - 100% of weapons confiscated and returned/destroyed in 2018.
  - 10 items that were confiscated in prior years and remain held in possession.
Schedule of Findings

Finding 1 – Imprest Fund

Rating – Lesser Significant

Criteria

Imprest Fund vouchers are to be submitted to the Office of the Controller for reimbursement within 30 days.

Condition

In one instance, a Deputy’s travel expense report was not prepared until six (6) weeks after the prisoner transport occurred.

Cause

Oversight by the Deputy and/ or Unsuccessful follow-up by imprest fund custodians.

Effect or potential effect

As a result of the untimely completion of the Deputy’s travel expense report, the voucher was not presented to the Office of the Controller for reimbursement within 30 days.

Recommendation

Deputies should be reminded of the responsibility to complete and submit travel expense reports immediately upon their return from prisoner transport assignments.

Sheriff’s Response

See page 6 and 7 for Auditee response.

Finding 2 – Imprest Fund

Rating – Lesser Significant

Criteria

Prisoner transport check request forms are to be signed by the Sheriff or Chief Deputy prior to disbursement of funds.

Condition

In three instances, a check request form submitted for funds was not signed by the Sheriff or Chief Deputy.
**Finding 3 – Escheats**

**Rating** – Lesser Significant

**Criteria**

Escheated funds to the State should have complete, accurate and correct information. The documentation filed with the State should match internal Sheriff records.

**Condition**

In one instance, the last transaction date on the unclaimed property detail listing report did not match the date on the Sheriff’s internal records.

**Cause**

Oversight by the Sheriff’s Department and those charged with processing escheated funds.

**Effect or potential effect**

As a result of the conditions above, recordkeeping discrepancies can remain present and cause inaccurate reporting. Also, funds escheated without owner names can cause delay or denial in owner recovery of funds from the State.

**Recommendation**

The Sheriff’s Department should be reminded of the responsibility to complete the forms and documentation completely and correctly to ensure all documentation is accurate.

**Sheriff’s Response**

See page 6 and 7 for Auditee response.
Finding 4 – Weapons

Rating – Lesser Significant

Criteria

All weapons confiscated or turned over to the Sheriff’s Office should have a property record completed accurately and timely. All weapons are then added to the Sheriff weapons ledger which tracks storage location, case number, etc.

Condition

In one instance, a weapon recorded on the Sheriff weapons ledger was not recorded on the property record.

Cause

Oversight by the Sheriff’s Department and those charged with processing the intake of weapons.

Effect or potential effect

As a result of the discrepancy in recording, a breakdown in internal control was present.

Recommendation

The Sheriff’s Department should be reminded of the responsibility to complete the forms and documentation completely to ensure all internal controls are functioning properly and as intended.

Sheriff’s Response

See page 6 and 7 for Auditee response.
December 10, 2019

Controller Margaret Reif,
County of Chester Controller.

Atten: Internal Audit


This letter is in response to the Filings and Recommendations contained within the Management Letter.

In general the Office of the Sheriff will agree with the findings of the audit that was conducted and has taken measures to comply with the recommendations.

Finding #1, Impress Fund – Lesser Significant Criteria,

Impress Fund vouchers are to be submitted to the Controller’s Office for reimbursement within 30 days.

Condition:

In one instance, Deputy’s travel expense report was not prepared until six (6) weeks after the prisoner transport occurred.

Recommendation:

Deputies should reminded of the responsibility to complete and submit travel expense reports immediately upon their return from the prisoner transport assignment,

Sheriff’s Response:

After reviewing this matter the Sheriff’s Office will have the transporting Deputy(s) file all paperwork in a timely manner.

Finding #2, Impress Fund Rating- Lesser Significant Criteria:

Prisoner transport check request forms are to be signed by the Sheriff or Chief Deputy prior to disbursement of funds.

Condition:

In three instances, a check was requested forms submitted for funds was not signed by the Sheriff or Chief Deputy.

Recommendations:

The Sheriff’s Department, (OFFICE), should be reminded of the responsibility to complete the forms and documentation completely to ensure all internal controls are functioning properly and as intended.
Sheriff’s Response:
The Sheriff’s Office will make every attempt to make sure the proper request forms are filed so the internal controls within the Office of the Sheriff are maintained.

Finding #3, Escheats Rating-Lesser Signification Criteria:
Escheated funds to the State should have completed, accurate and correct information. The documentation filed match the date of the Sheriff’s Internal records.

Condition:
In one instance the last transaction did not match the date on the Sheriff’s internal Records.

Recommendation:
The Sheriff’s Department (OFFICE), should be reminded of the responsibility to complete the forms and documentation completely and correctly to ensure all documentation is accurate.

Sheriff’s Response:
After review of this matter it seems there was an error on check #275038 information was transposed, the issues have been rectified. The Office of the Sheriff is bound by documentation that is required to be filed with the Commonwealth of Pennsylvania.

Finding #4, weapons Rating- Lesser Significant Criteria:
All weapons confiscated or turned over to the Sheriff’s Office should have a property record completed accurately and timely. All weapons are then added to the Sheriff Weapons ledger which tracks storage location, case number, etc.

Condition:
In one instance a weapon record on the Sheriff’s weapons ledger was not recorded on the property record.

Recommendation:
The Sheriff’s Department (OFFICE), should be reminded of the responsibility to complete the forms and documentation completely to ensure all internal controls are functioning properly as intended.

Sheriff Response:
This issue has been rectified by the weapons property Sergeant.

Sincerely,

Carolyn B. Welsh,
Sheriff of Chester County