



County of Chester
Office of the Controller
Internal Audit Department

Management Letter
For the Year Ended
December 31, 2019

County of Chester
Office of the Register of Wills/
Clerk of the Orphans' Court

Management Letter

Margaret Reif, Controller

Register of Wills/Clerk of the Orphan's Court - Executive Summary

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

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

Are there any MINOR issues that do not require management's action and/or attention? **No**
(Sufficient controls are in place and issue is strictly a result of human error and oversight.)

Recap of Findings Identified	
0	Major Findings
0	Lesser Significant Findings
0	Minor Findings

Margaret Reif

Margaret Reif, Controller

Introduction

On August 17, 2020, Internal Audit completed an audit of the Office of the Register of Wills/Clerk of the Orphan's Court (*Register*) for the year ended December 31, 2019. Christian J. Kriza was the auditor-in-charge. Internal Audit conducted an audit to ensure Fund 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
- Court Ordered Escrow Accounts
- Liabilities
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Inheritance Tax Receipts

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 August 17, 2020) should be considered in conjunction with this Management Letter.

Summary and Opinion

For the year ended December 31, 2019, Internal Audit has determined that the *Register'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 *Register* was found to be in compliance with policies and procedures mandated by the County of Chester and by the *Register*. 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.

Court Ordered Escrow Accounts is reconciled and reviewed at 100%. For the year ended December 31, 2019, there were two deposits and one withdrawal from the escrow account.

Liability Balances are reconciled and reviewed at 100%.

Cash receipts are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was 30 out of a population of 13,259 receipts generated in 2019.

Material Cash Receipts are tested at 100%. There were three material cash receipt transactions identified in 2019.

Manual Receipts are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was 1 out of a population of 2 manual receipts generated in 2019.

Cash Disbursements are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was as follows:

- 6 Operating Account disbursements out of a population of 57 checks created in 2019.
- 4 Attorney for Minor Account disbursements out of a population of 23 checks created in 2019.
- 1 Counseling Fund Account disbursement out of a population of 1 check created in 2019.
- There were no disbursements from the Automation Fund Account in 2019.

Material Disbursements are tested at 100%. There were no material disbursements identified in 2019.

Voided Receipts are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was 16 out of a population of 163 receipts voided in 2019.

Voided Disbursements are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was 3 out of a population of 5 disbursements voided in 2019.

Voided Inheritance Tax Receipts are tested on a sample basis. The sample size tested for the year ended December 31, 2019 was 15 out of a population of 46 voided inheritance tax receipts generated in 2019.

Escheats are tested on a sample basis. No escheatable items were identified in 2019.