



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

**Management Letter
For the Year Ended
December 31, 2010**

Office of Adult Probation
Management Letter

Valentino F. DiGiorgio, III, Controller

To: Christopher Murphy, Chief Probation Officer

Introduction

On October 27, 2011, Internal Audit completed an audit of the *Office of the Clerk of Courts (Clerk)* and *Adult Probation (APO)*. Sharon Kaye Jones, CIA was the auditor-in-charge and was assisted by one additional member of the audit team. 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 control structure. The scope of the audit included a review of the following:

- Cash and Petty Cash
- Liabilities
- Manual Receipts
- Cash Receipts
- Cash Disbursements
- Voided Transactions
- Automation Fund
- Unclaimed Property – Escheats

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 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 October 27, 2011) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of *APO* are, in all material respects, in compliance with policies and procedures imposed by the County of Chester and the Commonwealth of Pennsylvania. Still, Internal Audit identified several findings related to manual receipts, liabilities and voided disbursements.

Although this audit included the work of the *Clerk* and *APO*, management has requested that two separate reports be issued, each one independent of the other. Matters specific to the *Clerk* have been removed from this document and included in the management letter addressed to the Clerk of Courts.

Internal Audit wants to thank the management and staff of the *Clerk* and *APO* for their cooperation and assistance during the course of this audit. Please feel free to contact our office at (610) 344-5913 should you have any questions or concerns.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 1: Manual Receipts

Internal Audit noted the following:

- In three instances, remitter information was not recorded correctly in CPCMS.
- In 165 (out of 169) instances, the Manual Receipt Record was not completed in its entirety to include the corresponding CPCMS (computer) receipt number.

Recommendation

Internal Audit would like to emphasize the importance of entering information from manual receipts into the computerized system accurately, and in a timely manner. In addition, the manual receipt should contain all pertinent information including the reason for issuing a manual receipt as well as any case number. The Manual Receipt Record should be completed in its entirety to include the corresponding computer receipt number once entered into CPCMS.

Auditee Response

*Payor will always be entered into CPCMS as stated on the manual receipt.
Receipt log has been updated with corresponding CPCMS receipt numbers*

Finding 2: Voided Transactions

Internal Audit noted the following:

- In five instances, a voided check was not referenced to its replacement.
- In four instances, a voided receipt was not referenced to its replacement.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 2: Voided Transactions (continued)

Recommendation

Internal Audit recommends that *APO* strive to ensure that all voided receipts and disbursements are properly referenced to their replacements when applicable.

Auditee Response

It is difficult due to printing of checks on different days.

II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Cash Receipts

In 21 instances, overpayments were not refunded to the remitter in a timely manner.

Recommendation

Adult Probation should be reminded to review “undisbursed funds” routinely to ensure that refunds are processed in a timely manner. After a 14 day period expires and the check is not returned for insufficient funds, overpayments should be returned to the remitter unless other arrangements have been made to apply the money to another existing case.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
FINDINGS AND RECOMMENDATIONS
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II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Cash Receipts (continued)

Auditee Response

The "1205" report will be reviewed monthly.

Finding 2: Manual Receipts

In 53 instances, a manual receipt was not entered into CPCMS in a timely manner. The reasons for the delays were not properly documented.

It is important to note that this is a recurring finding which still requires corrective action.

Recommendation

Manual receipts should be entered into CPCMS as soon as possible. For instances where there are delays in receiving bills associated with family court drug testing, the reason for the delay should be documented as well as any follow-up.

Auditee Response

Documentation will be added.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2010

Due to the nature of the audit findings and recommendations, an exit conference was not warranted for the 2010 audit. Management of Adult Probation has chosen to accept the report as presented.