

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



*Management Letter
Adult Probation Office
For the year ended December 31, 2009*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Christopher Murphy, Chief Probation Officer

Introduction

On January 12, 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 two additional members 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 generally accepted in the United States of America and the 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 Compliance and Internal Control over Financial Reporting concurrent with this management letter. Disclosures and other information in this report (also dated January 12, 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. The results of our audit disclosed a few minor internal control and procedural weaknesses. These inadvertencies do not appear to be the result of deliberate misconduct but instead seem to be human errors and oversights.

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* are 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, 2009

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 1: Manual Receipts

Internal Audit noted the following:

- In one instance, all three copies of a voided manual receipt were not attached to the manual receipt book.
- In two instances, remitter information was not recorded correctly in CPCMS.
- In one instance, the case number was not recorded on the manual receipt. Since this particular defendant had five open cases, it is uncertain that the monies were applied to the appropriate case as intended by the remitter.

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. Voided manual receipts should be retained in the manual receipt book with all three copies in tact.

Auditee Response

On 2/8/10, APO started using the manual receipts and the manual receipt log provided by CPCMS for all hand receipts that are to be entered into the CPCMS system. All other payments will continue to be a hand receipt with manual receipt books. Using the CPCMS manual receipts will correct the findings by giving the collection supervisor a better handle on hand receipts.

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I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 2: Voided Disbursements

A restitution payment issued in February 2009 was voided as “undeliverable”. Although a new address was obtained by one of the APO clerks, it was not forwarded to the Billing Supervisor. As a result, the information was never entered into CPCMS and a “hold” was put on the account to avoid future “undeliverable” payments. Consequently, no payments have been issued on this account in 19 months.

Recommendation

Internal Audit recommends that a procedure be implemented by APO to ensure that any change to an active account be properly documented and entered into CPCMS in a timely manner.

Auditee Response

Collection supervisor will regularly view held disbursement report.

Finding 3: Cash Disbursements

In three instances, Internal Audit could not confirm that restitution was paid out to the correct party.

Recommendation

All changes involving restitution should be documented and forwarded to the Clerk of Courts for inclusion in criminal and/or summary appeal case files. In addition, victim information which is withheld during court proceedings, should also be provided to the Clerk of Courts for inclusion in case files. Such documentation is necessary to provide a sufficient audit trail to ensure that restitution payments are made to the correct individual or business.

COUNTY OF CHESTER
OFFICE OF ADULT PROBATION
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

RECORDING / RECORDKEEPING

Finding 3 (continued)

Auditee Response

APO will be keeping all restitution information that is received or found in a folder for the whole year or the information will be placed in the defendant's file for easy access.

SAFEGUARDING OF ASSETS

Finding 4: Voided Disbursements

In two instances, the signature line of a voided check was not properly defaced.

Recommendation

Voided checks should be properly cancelled to include the defacement or removal of the signature line.

Auditee Response

APO will make sure that the signature line is crossed out by using black marker.

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II. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 1: Manual Receipts

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

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 should be documented as well as any follow-up.

Auditee Response

The reason for using a manual receipt will be documented on the hand receipt.

COUNTY OF CHESTER

OFFICE OF ADULT PROBATION

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2009

Due to the nature of the audit findings and recommendations, an exit conference was not warranted for the 2009 audit. Management of the Office of Adult Probation has chosen to accept the report as presented.