

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



*Management Letter
Magisterial District Court 15-1-01
For the year ended December 31, 2009*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Mark Bruno

Introduction

On May 3, 2010, Internal Audit completed an audit of Magisterial District Court 15-1-01 (*District Court*). Gretchen W. Sohn, CIA, was the auditor-in-charge and was assisted by 1 additional audit staff member. 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
- Overall Compliance.

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 Compliance and Internal Control over Financial Reporting concurrent with this Management Letter. Disclosures and other information in that Report (also dated May 3, 2010) should be considered in conjunction with this Management Letter.

Executive Summary

The management and staff of the *District Court* are, in all material respects, in compliance with policies and procedures set forth by the Administrative Office of Pennsylvania Courts and directives imposed by District Justice Administration. Minor findings involving internal control and compliance are included within this Management Letter. Based on Internal Audit's testing and observations, it is our opinion that these deficiencies are not the result of negligence or deliberate misconduct, but are instead the consequence of one or more of the following:

- Oversights
- Human error.

We would like to thank the management and staff of the *District Court* for their cooperation and assistance during the course of this audit. We have provided herein a copy of our "Audit Findings" and "Recommendations" for your review and comment.

Please feel free to contact our office at (610) 344-6797 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

I. COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 30 case files out of a total population of 14,888 case files created in 2009. In addition, we performed other related tests of cash receipts, cash disbursements, manual receipts, undisbursed funds, and voided transactions. Sample size for the tested areas was determined through a risk assessment analysis based on the results of the *District Court's* prior year audit and current year caseload. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Cash Disbursements

Internal Audit noted the following:

- In 1 instance, a copy of an issued check was not attached to the case file.

Recommendation

Internal Audit recommends that a copy of all issued checks be attached to the appropriate case file to ensure complete and accurate records.

Auditee Response

District Court management concurs with the finding and recommendation.

Finding 2: Voided Transactions

Internal Audit noted the following:

- In 1 instance, the voided receipt copy attached to the case file was not labeled "void".
- In 1 instance, a copy of the voided check was not attached to the case file.
- In 1 instance, a copy of the replacement check was not attached to the case file.

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FINDINGS AND RECOMMENDATIONS
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I. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 2: Voided Transactions (continued)

Recommendation

Internal Audit recommends that a copy of any voided transaction (receipts and disbursements) be attached to the appropriate case file and labeled as “void” with the reason for the void notated. Internal Audit also recommends that if a voided transaction is replaced that a copy of the new receipt and/or check is attached to the appropriate case file to ensure complete and accurate records.

Auditee Response

District Court management concurs with the finding and recommendation.

Finding 3: Overall Compliance

Internal Audit noted the following:

- In 3 instances, the warrant on a case was not recalled/reissued within 60 days.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the collection procedures as outlined in the District Justice Automated Office Clerical Procedures Manual. Internal Audit also recommends that a copy of the Constable Cost Sheet be attached to the appropriate case file to ensure complete and accurate records.

Auditee Response

District Court management concurs with the finding and recommendation.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-01

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2009

On April 23, 2010, Magisterial District Judge Mark Bruno indicated through a written confirmation that an exit conference would be waived for this year. The Magisterial District Judge has accepted the Audit Report and Management Letter as presented.