

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



*Management Letter
Magisterial District Court 15-1-05
For the year ended December 31, 2009*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Grover E. Koon

Introduction

On September 7, 2010, Internal Audit completed an audit of Magisterial District Court 15-1-05 (*District Court*). Gretchen W. Sohn, CIA, was the auditor-in-charge. 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 September 7, 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. Internal Audit did not identify any matters of a significant nature in the area of compliance or in the overall internal control structure. A minor finding involving compliance is included within this Management Letter.

Internal Audit wants to commend the management and staff of the *District Court* for their dedication and hard work performed in the court. Our observations and testing revealed a knowledgeable and well-trained staff.

We want 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 Finding" and "Recommendation" 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 15-1-05

FINDING AND RECOMMENDATION

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 20 case files out of a total population of 4,662 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 case load. We believe the results of our tests are representative of the entire population on the basis of accepted audit sampling principles.

Finding 1: Overall Compliance

Internal Audit noted the following:

- In 2 instances, a warrant was not recalled in a timely manner.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the collection process as outlined in the District Judge Automated Office Clerical Procedures Manual. Warrants on traffic and summary cases are to be recalled within 60 days of the original issue date.

Auditee Response

District Court management concurs with the audit finding and recommendation.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-1-05

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2009

On August 31, 2010 Magisterial District Judge Grover E. Koon indicated through a written confirmation that an exit conference would be waived for this year. The findings were reviewed/discussed with the Magisterial District Judge and the Office Manager at a Closing Conference on August 24, 2010. Magisterial District Judge Grover E. Koon has accepted the Audit Report and Management Letter as presented.