

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



*Management Letter
Chester County Prison Canteen Fund
For the year ended December 31, 2009*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Warden D. Edward McFadden

Introduction

On April 6, 2010, Internal Audit completed an audit of the *Chester County Prison Canteen Fund (Canteen)*. Carissa M. Petrelia was the auditor-in-charge. Internal Audit is required by the Pennsylvania Department of Corrections to review the *Canteen Fund* annually to ensure compliance with laws and regulations of the Commonwealth and to assess the overall internal control structure. The scope of our audit included a review of the following:

- Cash and Petty Cash
- Cash Disbursements
- Voided Disbursements
- Compliance (KCN Contract).

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 this report (also dated April 6, 2010) should be considered in conjunction with this management letter.

Executive Summary

The management and staff of the *Canteen* are, in all material respects, in compliance with laws and regulations set forth by the Pennsylvania Department of Corrections. Internal Audit noted no significant deficiencies or material weaknesses in the overall internal control structure. Minor findings involving internal controls are included within this Management Letter.

We would like to thank the staff of the Chester County Prison 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) 344-6064 should you have any questions or concerns.

COUNTY OF CHESTER
CHESTER COUNTY PRISON CANTEEN FUND
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

AUTHORIZATION

Finding 1: Cash Disbursements

Internal Audit noted the following:

- In 3 instances, the check request originating in the Finance Department was not approved by Prison personnel.
- In 2 instances, Canteen Fund checks were signed by only 1 authorized signer when 2 signatures are required.

Recommendation

Internal Audit recommends that prison management ensure that check requests originating in the Finance Department are approved by Prison personnel. Internal Audit also recommends that prison management adhere to the “dual signature” requirement on the Canteen Fund bank account.

Auditee Response

Prison management concurs with the findings and recommendations.

COUNTY OF CHESTER
CHESTER COUNTY PRISON CANTEEN FUND
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2009

An exit conference was not warranted for the audit of the Prison Canteen Fund. Warden D. Edward McFadden has accepted the Audit Report and Management Letter as presented.