

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



*Management Letter
Magisterial District Court 15-4-01
For the year ended December 31, 2009*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Jeremy M. Blackburn

Introduction

On August 30, 2010, Internal Audit completed an audit of Magisterial District Court 15-4-01 (*District Court*). Carissa M. Petrelia 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 August XX, 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. Minor findings involving compliance are included within this Management Letter. 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 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

MAGISTERIAL DISTRICT COURT 15-4-01

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, procedures, and regulations, Internal Audit selected a statistical sample of 25 case files out of a total population of 4,810 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 sizes for each of the tested areas are 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, the warrant on a traffic case was not recalled/reissued within 60 days
- In 1 instance, the bail bond on file was not signed by the defendant.

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of adhering to the collection and bail procedures as outlined in the District Justice Automated Office Clerical Procedures Manual.

Auditee Response

Warrants-

We will keep trying to work within the internal controls established even with the combined efforts of outside distractions that interrupt the internal controls established process.

Bail Bond-

We have established a more concise procedure to prevent any further problems per the audit finding.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-4-01

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2009

On August 25, 2010, Magisterial District Judge Jeremy M. Blackburn indicated through a written confirmation, that an exit conference would be waived this year. The Magisterial District Judge has accepted the Audit Report and Management Letter as presented.

