



County of Chester
Office of the Controller
Internal Audit Department

Management Letter
For the Year Ended
December 31, 2019

County of Chester
Magisterial District Court
15-1-01

Management Letter

Margaret Reif, Controller

Magisterial District Court 15-1-01 - Executive Summary

Are there any MAJOR issues that require management's immediate action and/or attention? **No**
(Sufficient controls are not in place to address the associated risk.)

Are there any LESSER SIGNIFICANT issues that require management's action and/or attention? **No**
(Process is not critical to the overall operation.)

Are there any MINOR issues that do not require management's action and/or attention? **No**
(Sufficient controls are in place and issue is strictly a result of human error and oversight.)

| Recap of Findings Identified | |
|------------------------------|-----------------------------|
| 0 | Major Findings |
| 0 | Lesser Significant Findings |
| 0 | Minor Findings |

Margaret Reif

Margaret Reif, Controller

Introduction

On March 12, 2021, Internal Audit completed an audit of Magisterial District Court 15-1-01 (*District Court*) for the year ended December 31, 2019. Christian J. Kriza was the auditor-in-charge. 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 internal control structure. The scope of the audit included a review of the following:

- Cash and Petty Cash
- Undisbursed Funds
- Cash Receipts
- Manual Receipts
- Cash Disbursements
- Voided Transactions
- Escheats/Stale Dated Checks

We conducted our audit in accordance with generally accepted auditing standards and 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 Internal Control over Financial Reporting and on Compliance and Other Matters concurrent with this Management Letter. Disclosures and other information in that Report (also dated March 12, 2021) should be considered in conjunction with this Management Letter.

Summary

The *District Court* was found to be in compliance with policies and procedures mandated by the County of Chester and by the Administrative Office of Pennsylvania Courts. A final copy of this report will be transmitted electronically to you upon receipt of your responses. In addition, since audit reports are a matter of public record, your final report will be posted on the Controller's webpage within one week of issuance.

Methodology

Internal Audit interviewed key personnel, observed operations, reviewed written policies, procedures, system reports and source documents, and tested specific transaction activity where applicable.

Cash is reconciled and reviewed at 100%.

Petty cash is counted during the course of the on-site fieldwork. Outstanding vouchers are reviewed.

Cash receipts are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 30 out of a population of 12,039 receipts generated in 2019.

Manual receipts are tested on a sample basis. There were no manual receipts used in 2019.

Cash disbursements are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 30 out of a population of 582 checks.

Voided receipts are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 11 out of a population of 113 receipts voided in 2019.

Voided disbursements are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 4 out of a population of 29 disbursements voided in 2019.

Escheats are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 4 out of a population of 32 unclaimed property transactions.

Undisbursed funds are tested at 100%. There was a population of 8 cases which were greater than or equal to 90 days for the year ended 12/31/19.