

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



*Management Letter
Magisterial District Court 15-2-05
For the year ended December 31, 2008*

Valentino F. DiGiorgio III

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Chester F. Darlington

Introduction

On December 21, 2009, Internal Audit completed an audit of Magisterial District Court 15-2-05 (*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 December 21, 2009) 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.

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 15-2-05

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

I. COMPLIANCE WITH POLICIES AND PROCEDURES

In order to test compliance with all applicable policies and procedures, Internal Audit selected a statistical sample of 25 case files out of a total population of 6,706 case files created in 2008. 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: Stale-dated Checks

Internal Audit noted the following:

- Stale-dated checks are not being voided/escheated in a timely manner.

Recommendation

Internal Audit recommends that the *District Court* staff adhere to the stale-dated check procedures as outlined in the District Justice Automated Office Clerical Procedures Manual.

Auditee Response

District Court management concurs with the finding and recommendation.

Finding 2: Undisbursed Funds

Internal Audit noted the following:

- In 1 instance, funds were not disbursed in a timely manner.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT 15-2-05
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

I. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 2: Undisbursed Funds (continued)

Recommendation

Internal Audit recommends that *District Court* management reemphasize to the staff the importance of disbursing/applying funds as soon as allowable on cases which have been adjudicated and/or closed. To this end, the Undisbursed Funds Report should be reviewed/monitored on a monthly basis.

Auditee Response

District Court management concurs with the finding and recommendation.

Finding 3: Overall Compliance

Internal Audit noted the following:

- In 1 instance, 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.

Auditee Response

District Court management concurs with the finding and recommendation.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-2-05
SUMMARY OF EXIT CONFERENCE
FOR THE YEAR ENDED DECEMBER 31, 2008

An exit conference was waived by the District Court for this year. The findings were reviewed with Judge Chester F. Darlington and the Office Manager at a closing conference held on December 11, 2009 and a preliminary Audit Report and Management Letter were sent to the District Court for their review. The Magisterial District Judge has accepted the Audit Report and Management Letter as presented.