



County of Chester
Office of the Controller
Internal Audit Department

Management Letter
For the Year Ended
December 31, 2019

County of Chester
Office of the Recorder of Deeds

Management Letter

Margaret Reif, Controller

Office of the Recorder of Deeds - 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 May 27, 2021, Internal Audit completed an audit of the Office of the Recorder of Deeds (*Recorder*) for the year ended December 31, 2019. Christian J. Kriza was the auditor-in-charge and was assisted by Brenden Madonia. 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
- Accounts Receivable
- Liabilities
- Cash Receipts
- Cash Disbursements
- Voided Transactions
- Recorder Record's Fund Account Disbursements

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 May 27, 2021) should be considered in conjunction with this Management Letter.

Summary

The *Recorder* was found to be in compliance with policies and procedures mandated by the County of Chester. 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.

Liability balances are reconciled and reviewed at 100%.

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 45,052 receipts generated in 2019.

Cash disbursements are tested on a sample basis. The sample size tested for the year ended 12/31/19 was as follows:

- 4 Recording Account disbursements out of a population of 24 checks created in 2019.
- 30 Municipal Account disbursements out of a population of 1,023 checks created in 2019.

Voided receipts are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 7 out of a population of 71 receipts voided in 2019.

Voided disbursements are tested on a sample basis. The sample size tested for the year ended 12/31/19 was 1 out of a population of 1 disbursement voided in 2019.

Recorder's Record Fund Account Disbursements are tested at 100% specifically to ensure that money in the account is used in accordance with Act 8 of the Commonwealth.