



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

**Management Letter
For the Year Ended
December 31, 2011**

***Magisterial District Court
15-2-07***

Management Letter

Valentino F. DiGiorgio, III, Controller

To: Magisterial District Judge Lori Novak Donatelli

Introduction

On October 23, 2012, Internal Audit completed an audit of Magisterial District Court 15-2-07 (*District Court*). Carissa M. Petrelia 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 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 October 23, 2012) 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. A minor finding involving internal control is included within this management letter. Based on Internal Audit's testing and observations, it is our opinion that this deficiency is not the result of negligence or deliberate misconduct, but is instead the consequence of one or more of the following:

- Oversight
- Human error

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 15-2-07

FINDING AND RECOMMENDATION

FOR THE YEAR ENDED DECEMBER 31, 2011

INTERNAL CONTROL OVER FINANCIAL REPORTING

RECORDING

Finding 1: Cash Adjustments

Internal Audit noted that in one instance the District Court did not get refunded by the bank for a fee; therefore a debit adjustment did not have a corresponding credit adjustment.

Recommendation

Internal Audit recommends that the District Court prints out the debit and credit adjustments at the end of the month to ensure that all debit adjustments have a corresponding credit adjustment and vice versa. Internal Audit also recommends that the District Court follow-up with the bank to ensure that fees are refunded.

Auditee Response

District Court management concurs with the finding and recommendation. The bank credited the Court's bank account with the \$15.00 fee on September 21, 2012.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-2-07

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2011

Magisterial District Judge Lori Novak Donatelli indicated through a written confirmation that an exit conference would be waived for this year. The Magisterial District Judge has accepted the audit report and management letter as presented.