

*The County of Chester  
Annual Audit Report  
For the year ended December 31, 2007*




*County of Chester  
Office of the Controller*

***INTERNAL AUDIT DEPARTMENT***

***Mission Statement***

Pursuant to Article XVII: Sections 1722 to 1724, it is the duty and responsibility of the Chester County Internal Auditors to:

- Audit, settle, and adjust the accounts of every parole and probation officer appointed by the court who shall receive moneys from any person(s) paid under any order, sentence or judgment of any court within the County;
  - Audit, settle, and adjust those accounts which contain moneys appropriated by the County to units of the National Guard;
  - Annually audit the accounts of every alderman, magistrate or district justice within the County and report the results of such audits to the County Commissioners, the Auditor General and to the governing body of each political subdivision which is entitled to receive any moneys or funds collected by such alderman, magistrate or district justice;
  - Audit all taxes, penalties, fines and costs collected by the County Treasurer and belonging to any city, borough, township, or school district which are entered and carried on the books of the County;
  - Audit, settle, and adjust the accounts of the County Treasurer with the State Treasury, and of each of such other offices in the County receiving money for the use of the Commonwealth.
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***INTERNAL AUDIT DEPARTMENT***

***Statement of Purpose, Authority and Responsibility***

The County of Chester Internal Audit Department is comprised of 4 accounting / auditing professionals including an Internal Audit Manager, two Senior Auditors, and one Staff Auditor. The department reports administratively to the County's Deputy Controller and functionally to the County Controller and a three member Board of Commissioners.

In accordance with County Code requirements, the Chester County Internal Audit Department is authorized to direct a broad comprehensive program of internal auditing within the County. The auditors are responsible for examining and evaluating the adequacy and effectiveness of the systems of internal control established by the various agencies of the County and to audit, settle, and adjust the accounts and financial statements of these same agencies annually. In accomplishing these activities, the Manager of Internal Audit, as well as all members of the audit staff, are authorized to have full, free, and unrestricted access to all County records, property, and personnel, except as restricted by law.

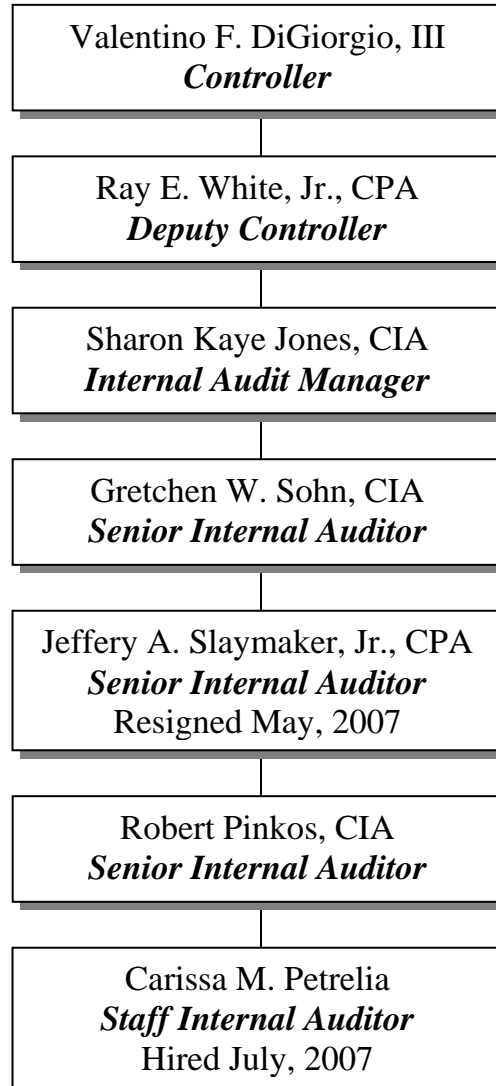


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***INTERNAL AUDIT DEPARTMENT***

***Organizational Chart***





*County of Chester  
Office of the Controller*

***INTERNAL AUDIT DEPARTMENT***


***Staff Credentials and Certifications***

Sharon Kaye Jones, *Internal Audit Manager*  
Bachelor of Science, Villanova University, 1984  
Certified Internal Auditor (CIA) 1993  
23 years internal audit experience

Gretchen W. Sohn, *Senior Auditor*  
Bachelor of Science, West Chester University, 1970  
Certified Internal Auditor (CIA) 1992  
24 years experience (5 years accounting / 19 years internal audit)

Robert Pinkos, *Senior Auditor*  
Bachelor of Science, West Chester University, 2001  
Certified Internal Auditor (CIA) 2007  
6 years experience (3 years accounting / 3 years internal audit)

Carissa M. Petrelia, *Staff Auditor*  
Bachelor of Science, West Chester University, 2004  
3 years experience (2.5 years finance/accounting / .5 internal audit)



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***INTERNAL AUDIT DEPARTMENT***

***2007 Internal Audit Hours***

<u>User Department</u>	<u>Hours</u>
Adult Probation	216.00
Clerk of Courts	362.00
Correctional Center	218.00
County Controller:	
Administration / Other	1,023.00
Continuing Education	265.50
Staff / Other Meetings	28.50
Special Projects	245.50
Holiday, Vacation, Medical, Comp and Personal Time	1,183.00
County Prison	423.50
County Sheriff	193.00
District Attorney	75.00
District Courts	1,859.50
Facilities Management	83.50
Pocopson Home	112.00
Prothonotary	274.50
Recorder of Deeds	120.00
Register of Wills	74.50
Row Offices - General	4.50
Tax Claim	153.50
Treasurer	14.00
 Total Audit Hours	 <u><u>6,929.00</u></u>

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***INTERNAL AUDIT DEPARTMENT***

***2007 Audit Summary***

**Annual Audits Required by County Code**

<b><u>Auditee</u></b>	<b><u>Reportable Conditions</u></b>
District Court 15-1-01	None
District Court 15-1-02	None
District Court 15-1-03	None
District Court 15-1-04	Reconciliation / Safeguarding of Assets
District Court 15-1-05	None
District Court 15-2-01	None
District Court 15-2-03	None
District Court 15-2-05	None
District Court 15-2-06	None
District Court 15-2-07	None
District Court 15-3-01	None
District Court 15-3-04	None
District Court 15-3-05	Authorization / Reconciliation / Documentation
District Court 15-3-06	None
District Court 15-3-07	None
District Court 15-4-01	None
District Court 15-4-02	None
District Court 15-4-03	None
District Court 15-4-04	None
Adult Probation	Recording / Recordkeeping
Clerk of Courts	Recording / Recordkeeping
Correctional Center	None
County Prison	None
County Sheriff	None
Prothonotary	None
Recorder of Deeds	None
Register of Wills	None
Tax Claim	None
Treasurer	None



**2007 Audit Summary (continued)**

**Annual Audits Required by State**

Drug Forfeiture	None
Pocopson Home (Guest Fund)	None

**Special Projects Requested by Management**

Auto Supply Inventory	Not Applicable
Central Storage Inventory	Not Applicable
Print Shop Inventory	Not Applicable
Agency Funds Compilation	Not Applicable





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***INTERNAL AUDIT DEPARTMENT***

***2008 Goals and Objectives***

- To complete all Row Office and District Court audits within the year.
- To continue to incorporate 7 new additional audits into the audit schedule over the next 3 years as a result of the 2006 Audit Risk Re-assessment.
- To continue to involve ourselves in the system implementation of CPCMS in the Office of the Prothonotary and the Office of the Sheriff.
- To prepare the Agency Fund footnote disclosure for inclusion in the DCED report as well as the CAFR.
- To continue to complete 40 hours of continuing education annually to keep abreast of new accounting / auditing issues and pronouncements as required by the GAO Yellow Book.
- To help maintain and update the new Audit Department subdirectory within the Office of the Controller Website.
- To continue to provide assistance to the Controller as he begins his third year in office.
- To prepare for our 2<sup>nd</sup> Peer Review to be conducted in late 2008.
- To assist the department's new staff auditor as she prepares to achieve her CIA certification.



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*To the Chester County Controller and  
Board of Commissioners:*

*I am pleased to report that 2007 was another milestone year for the Internal Audit Department. It is with great pride that I publicly announce that another member of the audit staff successfully achieved his CIA certification. There are now 3 auditors on staff (including myself) that are Certified Internal Auditors. The fourth audit team member, hired in July 2007, will also be preparing to achieve this same standard of excellence once she has familiarized herself with the County's internal audit process.*

*As a team, we again successfully completed all scheduled audits for the year in a timely manner. Most noteworthy however, was the realization of our initiative to improve communications with our County officials, colleagues and constituents by publishing all audit reports and management letters online via a new Audit sub-directory within the Office of the Controller's web page. This automated process has enabled us to provide audit information in a more timely, efficient, and cost effective manner.*

*As always, I look forward to servicing you in the New Year.*

*Please feel free to contact me should you have any questions, concerns, or suggestions for further improvement.*

*Kindest regards,*



*Sharon Kaye Jones, CIA  
Internal Audit Manager*

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