

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



*Management Letter
Magisterial District Court 15-3-05*

For the year ended December 31, 2007

Valentino F. DiGiorgio, III

Valentino F. DiGiorgio, III, Controller

To: District Judge Harry W. Farmer

Introduction

On June 25, 2008, Internal Audit completed an audit of Magisterial District Court 15-3-05 (*District Court*). Carissa M. Petrelia was the auditor-in-charge. Internal Audit is required by the Pennsylvania 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.

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 would like to thank the management and staff of the *District Court* for their cooperation and assistance during the course of this audit.

Please feel free to contact our office at (610) 344-6064 should you have any questions or concerns.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-05

FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

I. INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

AUTHORIZATION / RECONCILIATION / DOCUMENTATION

Finding 1: Cash

In August, 2007 the *District Court* needed to process a \$0.03 credit adjustment due to a bank deposit error on 8/3/2007. The Office Manager wrote a letter to the bank asking them to correct the matter in September, 2007, however the bank did not follow through. As a result, the *District Court's* checking account remains overstated by \$0.03.

Recommendation

Internal Audit recommends that the *District Court* contact the bank again to have the checking account reduced by \$0.03. Once the adjustment is processed by the bank, the *District Court* will need to process an offsetting debit adjustment on the books.

Auditee Response

District Court sent a letter to bank on 8/5/07 requesting they correct \$0.03 deposit error from 8/3/07 deposit. The Office Manager was told verbally that they do not make adjustments for any errors under \$1.00. The Office Manager asked that the policy be sent to her in writing and they denied it.

The Office Manager will send a 2nd request for the \$0.03 error to be corrected.

COUNTY OF CHESTER
MAGISTERIAL DISTRICT COURT 15-3-05
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

I. COMPLIANCE WITH POLICIES AND PROCEDURES

Finding 2: Cash Disbursements

Internal Audit noted that in 1 instance a check was issued without an authorized signature.

Recommendation

Internal Audit recommends that members of the staff exercise greater care to ensure that disbursement checks contain an authorized signature.

Auditee Response

District Court will take better care in making sure that all checks are signed prior to leaving the office.

Finding 3: Voided Receipts

Internal Audit noted that in 1 instance a receipt was not marked void.

Recommendation

Internal Audit recommends that *District Court* management re-emphasize to the staff the importance of adhering to the voided receipt procedures as outlined in the District Justice Automated Office Clerical Procedures Manual.

Auditee Response

The corresponding check was marked void, dated and initialed by clerk. The receipt was not marked. It was simply human error.

COUNTY OF CHESTER

MAGISTERIAL DISTRICT COURT 15-3-05

SUMMARY OF EXIT CONFERENCE

FOR THE YEAR ENDED DECEMBER 31, 2007

An exit conference was not warranted for the audit of Magisterial District Court 15-3-05. District Judge Harry W. Farmer has accepted the report and management letter as presented.