



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

April 14, 2005

The Honorable J. Larry Palmer
Chief Judge
County of Surry General District Court
101 East Broadway Street
Hopewell, VA 23860

The Honorable Charles A. Perkinson
Chief Judge
County of Surry Juvenile and
Domestic Relations District Court
202 North Main Street
Lawrenceville, VA 23868

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Surry District Court for the period January 1, 2004 through December 31, 2004.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Respond to Tax Set-off Notifications

The Clerk did not respond to notifications from the Department of Taxation's Set-Off Program resulting in the potential loss of \$1,199 in delinquent account collection. The Code of Virginia, Section 2.2-4800 requires participation in the Tax Set Off program to assist the courts in collecting delinquent fines and costs. The Clerk should immediately monitor and respond to the notification of availability of funds. Failure to respond to the Tax Set-Off notifications results in lost income to both the locality and the Commonwealth.

Properly Monitor and Disburse Liability Accounts

The Clerk does not monitor liability accounts and did not perform due diligence to disburse unclaimed property. Specifically, we noted the Clerk did not file an unclaimed property report as required by Section 55-210.9:2 of the Code of Virginia. We found \$688 in outstanding disbursements qualifying for escheatment. The Clerk should immediately file an unclaimed property report, remit all unclaimed funds and ensure that a report is filed by November 1st of each year.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable Jacqueline Waymack, Judge
Deborah A. Hatcher, Clerk
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia