



Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

July 20, 2004

The Honorable J. Larry Palmer
Chief Judge
County of Prince George General District Court
PO Box 187
Prince George, VA 23875

The Honorable Charles A. Perkinson
Chief Judge
County of Prince George Juvenile and
Domestic Relations District Court
PO Box 66
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 Prince George District Court for the period April 1, 2003 through June 30, 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. However, we noted a weakness in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Strengthen Procedures for Recording Voided Receipts

The Clerk does not record voided receipts properly. We found that in ten of 15 voided receipts tested, court staff failed to properly document the reasons for the voids. Also, staff failed to record five of the voided receipts on the daily cash reconciliation work sheet.

Since someone could conceal a fraud by improperly voiding cash receipts, it is essential that the Clerk closely monitor staff activity in this area. As required by the Financial Management System User's Guide, the Clerk should ensure staff properly document the reason whenever voiding a cash receipt. The Clerk should also ensure that staff list any voided receipts

on the daily reports so the Clerk may properly reconcile the cash collections. Properly reconciling daily collections is critical to avoiding or detecting errors, omissions or the loss of funds.

We discussed these comments with the Clerk on July 20, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Gammiel Poindexter, Judge
The Honorable Jacqueline Waymack, Judge
Ellen T. Chiasson, Clerk
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia