



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

February 1, 2010

The Honorable Robert G. Woodson, Jr.
Chief Judge
County of Cumberland General District Court
P.O. Box 24
Cumberland, VA 23040

The Honorable Michael M. Rand
Chief Judge
County of Cumberland Juvenile and Domestic Relations District Court
P.O. Box 430
Halifax, VA 24558

Audit Period: July 1, 2008 through June 30, 2009
Court System: County of Cumberland
Judicial District: Tenth

We are performing a statewide audit of the Combined General District Courts. During our review of this court, we conducted certain audit procedures, as we deemed appropriate.

Management of this court is an important part of the court's accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review, we noted certain matters that required management's attention and corrective action. These matters included:

During the audit period, the Supreme Court of Virginia had no formal guidance regarding approval of Clerk's leave submitted to the electronic leave reporting system. The Supreme Court of Virginia has since issued interim guidance regarding the implementation of internal controls over this process, and this court promptly implemented those controls.

Properly Record Fines and Fees

The Clerk did not properly record and enter fines and fees in accordance with the Code of Virginia. We found the following

- Fines totaling \$2,400 improperly recorded to the locality instead of the Commonwealth.

- Court appointed attorney fees totaling \$360 without supporting documentation
- Court appointed attorney fees for an amount different from what the state actually paid resulting in a loss to the State of \$250.
- Processing fees unrecorded resulting in a loss to the State of \$61.

We recommend the Clerk research all similar cases and make the appropriate corrections to the necessary recorded entries. Further, we recommend the Clerk work with the Office of the Executive Secretary to receive training in these recording practices.

Request Tax Set-Off Refunds

The Clerk failed to collect potentially \$576 of state funds. She did not request the Department of Taxation set-off refunds for individuals against the amount owed for delinquent fines and court costs as required by Section 58.1-524(A) of the Code of Virginia. Further, the Clerk should promptly respond to tax set-off refunds held by the Department of Taxation and have appropriate back-up for instances in which she is not available.

Properly Escheat Funds

The Clerk failed to properly remit unclaimed property to the State Treasurer as required by Section 55-210.12 of the Code of Virginia. We identified over \$445.00 in funds eligible for escheatment to the Commonwealth. The Clerk should review all liabilities and outstanding checks annually and report funds held for more than one year to the State Treasurer.

Properly Manage Court Collections

The Clerk did not properly manage collections during the audit period as required by Section 17.1-271 of the Code of Virginia and the FMS User's Guide. Specifically, we noted the following.

- The Clerk failed to resolve reconciling differences found during the monthly bank reconciliations in a timely manner. Specifically, the bank reconciliation included the same reconciling items for up to one year. We also found in 11 of the 12 monthly reconciliations reviewed, the Clerk failed to document the date someone performed the reconciliation.
- The Clerk did not deposit court collections in the bank and the automated financial system daily as required by Section 17.1-271 of the Code of Virginia and the FMS User's Guide. Specifically, we found four deposits made one day late in the bank and two deposit vouchers entered into the system up to two days late.

The Clerk should immediately begin depositing court collections in the bank and the automated financial system daily. Delaying the deposit of court collections in the bank unnecessarily exposes the funds to a risk of misappropriation or theft; and delaying the recording of deposits in the automated financial system can result in unnecessary reconciliation differences and increases the risk of errors remaining undetected.

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We acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable Marvin L. Dunkum, Judge
Carolyn Helgeson, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia