



Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

June 18, 2001

The Honorable Joseph H. Tate
Clerk of the Circuit Court
County of Dickenson

Board of Supervisors
County of Dickenson

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Dickenson for the period October 1, 1999 through December 31, 2000.

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 instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Clerk needs to address as described below.

Reconcile Bank Account

The Clerk has not reconciled the Court's bank account since May 2000. Failure to promptly reconcile the account can lead to errors or irregularities going undetected. The Clerk should reconcile the bank account monthly, identifying and adjusting all reconciling items promptly. Additionally, someone other than the preparer should review and approve the reconciliations. When the Clerk cannot reconcile his account, he should immediately seek assistance from the Supreme Court.

Reconcile Clerk's Office Expenses

The Clerk does not reconcile his Clerk's account (811) in the accounting system. Failure to perform reconciliations resulted in a negative balance of \$13,495 in the account going undetected until our audit. We expended considerable effort to reconcile this account for the

Clerk and assist him in making the necessary corrections to resolve the negative balance. We found that the Clerk erroneously paid his July 2000 State Compensation Board reimbursement to the County, resulting in a negative balance in the account.

The Clerk should reconcile this account monthly. Monthly reconciliations will help ensure that the Clerk receives the proper reimbursement from the State Compensation Board each month for office expenses and help identify and resolve unexplained balances.

We discussed these comments with the Clerk on May 23, 2001 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 Keary R. Williams, Chief Judge
Keith Viers, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia