



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

February 14, 2011

The Honorable Richard A. Claybrook, Jr.
Chief Judge
County of Warren General District Court
53 Court Square
Harrisonburg, VA 22801

Audit Period: July 1, 2009 thru June 30, 2010
Court System: County of Warren
Judicial District: Twenty-sixth

We are performing a statewide audit of the 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:

Properly Review Accounting Transactions

As noted in the prior audit, the Clerk has not properly completed the bank reconciliation, and continues to have a total of \$352.09 in items that remain to be reconciled, of which \$280 related to one item carried since January, 2009. The Clerk should research and resolve discrepancies monthly and make the appropriate adjustments.

The Clerk and Chief Judge should contact the Executive Secretary's Office to both develop a training plan and set performance expectations to do monthly reconciliation with resolution of all items. Timely and complete reconciliations are an essential internal control.

Appropriately Document Cash Differences

The Financial Management User's Guide requires the Clerk to properly document each day's difference between the cash deposited and the system-calculated deposit to determine that the staff is properly collecting and recording funds. For four of 13 days tested, we found no explanation of the differences and no recording of either a cash overage or shortage for three of the four days.

The Clerk also used the incorrect account to record overages and shortages. These should be documented in the over/short account as directed by The Financial Management User's Guide, 10-34; however, the Clerk used the Process Fee account. An appropriate audit trail could not be followed due to the clerk using the incorrect account.

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Improve Recordkeeping

The Clerk did not properly enter costs or case types into the court's financial accounting system. The Clerk also did not obtain or maintain supporting documentation for expenditures paid by the Office of the Executive Secretary.

In seven of 56 Revenue cases tested, the following errors were found:

- In one case, the "Time to Pay Fee" of \$10 was entered as \$100, overcharging the defendant \$90.
- In one case, the "Courthouse security fee" was entered as \$61, overcharging the defendant \$51.
- In one case, the Clerk recorded a case as a local charge instead of a state charge.
- In one case, Clerk recorded the public defender fee under a state code instead of a local code resulting in the Commonwealth inappropriately receiving \$120.
- Two cases did not have the list of allowances available to support \$240 charged to the defendant.
- In one case, time to pay was given for \$197, allowing four years without an agreement signed by the defendant.

In three of 23 Expenditure cases tested, the Clerk did not keep the supporting documentation for two cases and failed to certify the List of Allowance for one case, thus resulting in amounts submitted to and paid by the Office of the Executive Secretary of \$1,111.

Request Tax Set-Off Refunds

The Clerk did not request a tax set-off refund for two individuals that owed delinquent court costs and fines as required by Section 58.1-524 (A) of the Code of Virginia. This resulted in a loss of \$362 of funds. Starting in fiscal year 2006, a court must request the tax refunds through the Department of Taxation's automated accounting system called the Integrated Revenue Management System.

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

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable W. Dale Houff, Judge
Pamela S. Kidwell, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia