

**CLERK OF THE  
GENERAL DISTRICT COURT  
FOR THE  
COUNTY OF WISE AND CITY OF NORTON**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2007 THROUGH JUNE 30, 2008**





# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

February 13, 2009

The Honorable R. Larry Lewis  
Chief Judge  
County of Wise and City of Norton  
General District Court  
P. O. Box 306  
Jonesville, VA 24263

Mr. Karl R. Hade  
Executive Secretary  
Office of the Executive Secretary  
of the Supreme Court of Virginia

Audit Period: April 1, 2007 through June 30, 2008  
Court System: County of Wise and City of Norton  
Judicial District: Thirtieth  
Magisterial District: First

We have audited the cash receipts and disbursements of the Clerk of the General District Court and the associated Magistrates for this locality. Our primary objectives for both the Court and the Magistrates were to test the accuracy of financial transactions recorded on the applicable financial management system; evaluate internal controls; and test its compliance with significant state laws, regulations, and policies.

## Management's Responsibility

Court and Magistrate management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

## Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Additionally, we noted no instances of improper recording and reporting of financial transactions in the Magistrates' financial management records.

### Internal Controls

We noted matters involving internal control and its operation necessary to bring to Court management's attention.

As well, we noted no matters involving internal control and its operation necessary to bring to Magistrate management's attention.

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance in the Court that are required to be reported.

In addition, the results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance with the Magistrates that are required to be reported.

We acknowledge the cooperation extended to us by the Court and the Chief Magistrate during this engagement. The issues identified above are discussed in the section titled Comments to Management.

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: Jean C. Sparks, Clerk  
Bill Wallman, Regional Magistrate Supervisor  
Ruth E. Hale, Chief Magistrate  
Paul DeLosh, Director of Judicial Services  
Supreme Court of Virginia

## COMMENTS TO MANAGEMENT

### Internal Controls

We noted the following matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### *Strengthen Controls Over Bank Reconciliations*

The Clerk failed to reconcile the bank account and resolve reconciling items in four of 15 months tested. The Clerk should reconcile the bank account promptly; and investigate and resolve any differences between the bank statement, checkbook, and the automated system. If the Clerk experiences any difficulties in completing bank reconciliations, she should contact Supreme Court of Virginia immediately to request assistance.

Failure to properly and promptly reconcile the bank account increases the risk of errors going undetected. Reconciliations are fundamental internal control of any accounting system to ensure the accurate and timely recording of transactions. Lack of this fundamental control could result in a loss to the Commonwealth.