



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

November 17, 2009

The Honorable James A. Moore
Chief Judge
County of Isle of Wight General District Court
P.O. Box 122
Isle of Wight, VA 23397

Audit Period: July 1, 2008 through June 30, 2009
Court System: County of Isle of Wight
Judicial District: Fifth

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:

Resolve Reconciling Items Timely

The Clerk did not resolve reconciling items for seven months during the 12-month audit period, thus leaving bank reconciliations incomplete. As outlined by the FMS User's Guide, Chapter 10, reconciling the court's bank account is a fundamental internal control and failing to properly reconcile and correct differences could result in errors or fraud going undetected. The Clerk should ensure the bank account is reconciled timely and completely upon receipt of the monthly bank statement.

Complete Training for Debt Set -Off Program

The Clerk's Office has no one certified to respond to Department of Taxation Debt Set-Off matches and claim potential funds. Since February 2009 when the staff member, who was certified left; the Clerk has not had any of her staff able to access the automated system since no one has completed the training. Section 58.1-521 of the Code of Virginia, requires all Courts use the Debt Set-Off Program. The Clerk should take

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immediate action to have her and her staff complete the training program that will allow them to access the system, respond to email notifications, and claim funds. Lack of participation during the tax season resulted in lost revenues to both the local government and the Commonwealth.

Bill Locality for Public Defenders

The clerk did not bill the locality for the public defenders as required by Section 19.2-163 of the Code of Virginia when they represented defendants charged with local offenses. The clerk assessed the defendant a public defender fee based on a Judge's order, but did not recover the Commonwealth's costs by billing the locality. The clerk does not bill the locality until the clerk receives a timesheet from the public defender.

When the defendant pays the fines and costs associated with the local offense, the clerk sends these funds to the locality. However, because the clerk does not have a timesheet from the public defender the Commonwealth incurred costs in excess of \$480, which the locality should have paid.

There is no indication that the clerk informed the judge that the public defenders are not providing time sheets resulting in the loss of Commonwealth monies. We recommend the judge work with the public defenders to assist the clerk in properly assessing and billing the locality for public defender usage, so the Commonwealth does not lose these funds.

Properly Approve the Reporting of Leave

The Judge does not approve the reporting of leave taken by the Clerk. Instead, the Clerk completes and approves her own leave report. Section 2102.3 of the Human Resources Policy Manual requires the supervising Judge to approve the reporting of the Clerk's leave. Supervisory review and approval is an essential internal control to ensure the accuracy and appropriateness of transactions. Allowing someone to prepare and approve their own leave without a supervisory review can result in both intentional and unintentional errors going undetected. We recommend the supervising Judge immediately begin reviewing and approving the reporting of the Clerk's leave.

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

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable W. Parker Councill, Judge
The Honorable William R Savage III, Judge
Keith F. Daniel, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia