

August 3, 2000

The Honorable C. R. Chapman
Chief Judge
County of Henrico General District Court
PO Box 27032
Richmond, VA 23273

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Henrico General District Court for the period July 1, 1997 to September 30, 1999.

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

Properly Maintain and Monitor Receipts

The Clerk does not properly control the receipting process or appropriately document manual receipts on the accounting system's Receipt Number Summary form. In 15 receipts tested, 6 were missing and one voided receipt was missing the original copy. The Clerk should properly retain and adequately document manual receipts. These procedures help prevent fraud or misappropriation of funds.

Properly Record and Track Cash Overages and Shortages

The bookkeeper does not properly account for cash overages and shortages. When a register has an overage, the bookkeeper removes the amount and puts it in the vault. When a register is short, the bookkeeper takes money from the accumulated overage amounts and adds it to the deposit. The Financial Management System User's Guide requires the recording of small amounts of overages and shortages in

account code 411. Recording the overage and shortage in the proper account code allows the bookkeeper and Clerk to monitor daily differences and take appropriate action to resolve any potential training or personnel issues.

We discussed these comments with the Clerk on March 13, 2000, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

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1 Report File
1 Working Papers

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TO: Lawrence G. Sprader, Clerk of the General District Court

Clerk Fax Number –

Clerk Phone Number –

FROM:

DATE: Wednesday, December 15, 1999

Number of pages including cover page: 3

CONFIDENTIAL FOR: Lawrence G. Sprader

MESSAGE: Enclosed is a **DRAFT COPY** of our audit report. We previously discussed these findings with you during the audit. We are providing this draft copy to afford you an additional opportunity to comment before we finalize the report.

It is important that you call _____ at (804)-225-3350 when you receive this draft for a discussion of our findings. We will issue the final report shortly after hearing from you.