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Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 10, 2014

The Honorable Robert G. Woodson Jr.
Chief Judge
County of Cumberland General District Court
P.O. Box 24
Cumberland, VA 23040

The Honorable S. Anderson Nelson
Chief Judge
County of Cumberland Juvenile and Domestic Relations District Court
P.O. Box 340
Boydton, VA 23917

Audit Period: July 1, 2012 through June 30, 2013
Court System: County of Cumberland
Judicial District: Tenth

We are performing a statewide audit of the Combined 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:

Reconcile Bank Account

The Clerk did not properly reconcile her bank account during the audit period. A proper reconciliation consists of preparing a monthly reconciliation and promptly resolving reconciling items. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase the risk of loss of funds. Timely and complete reconciliations are an essential internal control. We recommend the Clerk perform monthly bank reconciliations upon receiving the bank statements as required by the Financial Management System User's Guide.

Request Tax Set-Off Refunds

During fiscal years 2013 and 2014, the Clerk did not submit claims to the Virginia Department of Taxation (Tax) for tax set-off of refunds totaling \$2,382 for delinquent court fines and costs, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off of tax

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refunds through Tax's automated accounting system called the Integrated Revenue Management System. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Properly Bill and Collect Court Costs

The Clerk did not properly bill and collect court costs resulting in a loss of revenue to the Commonwealth and locality. In 13 of 42 cases tested, we noted the following errors.

- In four local cases, the Clerk incorrectly billed the Commonwealth instead of the locality for \$480 in court-appointed attorney fees.
- In five cases, the Clerk did not assess court costs of \$513.
- In two local cases, fines and costs totaling \$340 were misclassified as state fines and costs rather than local fines and costs.
- Two state cases were improperly classified as local cases, resulting in the locality being billed for the associated court appointed attorney fees and the miscoding of \$240 in court costs as local rather than state.
- In one case, the amount of court appointed attorney fees charged to the defendant could not be substantiated because the Clerk did not maintain appropriate documentation.

The Clerk should correct these specific cases noted above. Further, the Clerk should work with her staff to ensure they understand the billing and collecting requirements and, if necessary, request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

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

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: The Honorable Marvin H. Dunkum, Judge
Carolyn Z. Helgeson, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia