

**CLERK OF THE COMBINED GENERAL DISTRICT COURT
OF THE
COUNTY OF ALLEGHANY**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2007 THROUGH MARCH 31, 2008**





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

July 11, 2008

The Honorable J. Gregory Mooney
Chief Judge
County of Alleghany
General District Court
P.O. Box 139
Covington, VA 24426

The Honorable Paul A. Tucker
Chief Judge
County of Alleghany Juvenile and
Domestic Relations District Court
P.O. Box 858
Fincastle, VA 24090

The Honorable Humes J. Franklin
Magistrate Supervising Authority
Twenty-Fifth Judicial District
P.O. Box 1286
Staunton, VA 24401

Audit Period: January 1, 2007 through March 31, 2008
Court System: County of Alleghany
Judicial District: Twenty-Fifth

We have audited the cash receipts and disbursements of the Clerk of the Combined 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

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

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: The Honorable Laura L. Dascher, Judge
Susan S. Hutchison, Clerk
Ray B. Fitzgerald, Chief Magistrate
Paul F. 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.

Control Access to Integrated Revenue Management System

The Clerk shared her password for the Court's access to the Integrated Revenue Management System. Starting in fiscal year 2006, a Court can directly place a hold on a tax refunds from the Virginia Department of Taxation's automated accounting system called the Integrated Revenue Management System (IRMS).

Access to IRMS also means that users have access to privileged citizen information. It is, therefore, critical that each user have a unique password and user ID to provide accountability and integrity over the information within the automated system.

The Clerk should ensure that the Court has adequate staff with proper training and authorization to access the automated system. The Clerk should also immediately ask the Department of Taxation to change all passwords and establish new ones for every Court staff member authorized to use IRMS. Further, regardless of the system, the Clerk should ensure that she and her staff never share passwords with anyone.