



Commonwealth of Virginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

November 29, 2001

The Honorable G. Richard Beck
Chief Judge
County of Powhatan General District Court
35 East Tabb Street
Petersburg, VA 23803

The Honorable Valentine W. Southall, Jr.
Chief Judge
County of Powhatan Juvenile and
Domestic Relations District Court
PO Box 24
Amelia, VA 23002

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Powhatan District Court for the period July 1, 2000 through June 30, 2001.

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.

Improve Accounting Procedures

The Clerk needs to further strengthen the court's accounting procedures. We found the following conditions.

- The Clerk does not properly document fines and costs due date changes as required by the Code of Virginia Section 19.2-354. We found that court staff routinely alter due dates without appropriate documentation. All fines and costs are payable immediately upon final disposition unless otherwise ordered by the court or evidenced by a written payment plan. Court staff should not alter due dates unless they have an established or revised payment agreement. The Clerk should require the defendant to sign a pay agreement so that they understand their obligation to the court and payment terms.

- The Clerk does not consistently document updates and modifications made to defendant accounts. Failing to document alterations to accounts can lead to errors and misappropriation of funds going undetected.
- The Clerk does not properly control voided receipts. In all voids tested, the Clerk failed to maintain all three copies of the voided receipt as required. In addition, the Clerk failed to follow appropriate documentation standards. These omissions greatly increase the risk of loss or theft of funds. The Clerk should immediately train the staff to ensure they understand and follow the proper procedures for voiding receipts. Further, the Clerk should provide appropriate oversight to staff to ensure that they are following the appropriate procedures.

The Clerk continues to recognize the need to strengthen controls as evidenced by the improvement since our last audit. The Clerk should continue her efforts in improving the court's accounting and documentation processes.

We discussed these comments with the Clerk on November 29, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: Gloria M. Blankenship, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnne Lane, Court Analyst
Supreme Court of Virginia