



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

January 28, 2010

The Honorable J. Larry Palmer
Chief Judge
County of Surry General District Court
100 E. Broadway
Hopewell, VA 23860

The Honorable Carson E. Saunders Jr.
Chief Judge
County of Surry Juvenile and Domestic Relations District Court
315 South Main Street
Emporia, VA 23847

Audit Period: July 1, 2008 through June 30, 2009
Court System: County of Surry
Judicial District: Sixth

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:

Properly Retain Documentation

The Clerk failed to retain all copies of voided receipts as part of the daily financial records. The improper use of voided receipts poses an inherent risk that someone can use the voided receipts for committing fraudulent activity.

The Office of the Executive Secretary, Supreme Court of Virginia provides accounting procedures for clerks which, when followed, ensures there are proper controls in place. The Clerk should review the approved procedures and implement corrective action immediately.

Follow Proper Procedures for Attorney Payments and Cost Recovery

The Clerk sent invoices for attorney services to the Commonwealth instead of the locality as required by section 19.2-163 of the Code of Virginia. Additionally, the Clerk does not properly record these costs in the defendant's account, and this could result in the improper allocation of these recovered costs.

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The Supreme Court of Virginia has the Court Appointed Attorney Manual, and the Clerk should review these procedures, correct the accounts and request repayment from the locality for the \$360 loss to the Commonwealth. Additionally the Clerk should review all attorney vouchers for fiscal year 2009 and bill the locality for any invoices erroneously paid by the Commonwealth.

During the audit period, the Supreme Court of Virginia had no formal guidance regarding approval of Clerk's leave submitted to the electronic leave reporting system. The Supreme Court of Virginia has since issued interim guidance regarding the implementation of internal controls over this process, and this court promptly implemented those controls.

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

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable Jacqueline R. Waymack, Judge
Deborah A. Hatcher, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia