

**CLERK OF THE GENERAL DISTRICT COURT
OF THE
COUNTY OF MATHEWS**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2007 TO JUNE 30, 2008**





Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

October 26, 2008

The Honorable Colleen Killilea
Chief Judge
County of Mathews General District Court
5201 Monticello Ave. Suite 2
Williamsburg, VA 23188

Audit Period: April 1, 2007 to June 30, 2008
Court System: County of Mathews

We have audited the cash receipts and disbursements of the Clerk of the General District Court for this locality. 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.

Management's Responsibility

Court 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 instances of improper recording and reporting of financial transactions in the Court's financial management system.

Internal Controls

We noted matters involving internal control and its operation necessary to bring to Court 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.

We acknowledge the cooperation extended to us by the Court 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 R. Bruce Long, Judge
Gail Fulcher, Clerk
Paul 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.

Provide Controls over Banking

- The Clerk did not consistently reconcile the Court's bank account between May 2007 and March 2008. Supreme Court of Virginia support staff performed the February and March 2008 bank reconciliations.
- The Clerk did not record bank deposits in the automated financial system in a timely manner. This further hindered her ability to reconcile the Court's bank account.

Provide Controls over Receipts

- The Clerk has improved controls over the issuing, recording and retention of manual receipts. However, seven of the 24 receipts tested were missing dates. Although auditors could eventually identify six of the seven corresponding transactions, auditors could not find a record of a \$361 receipt in the Court's automated system.

Properly Assess Fines and Costs

- The Clerk does not properly assess and collect fines and court-appointed attorney or public defender fees involving local and state charges as required by Section 19.2-163 of the Code of Virginia. Use of incorrect accounting codes resulted in a loss of revenue to the Commonwealth.

The Clerk needs to be more diligent in the proper documentation, assessment, and collection of fees and fines. She should seek additional training for Court staff; and implement procedures for proper handling of banking and receipting responsibilities, and assessing of fees in accordance with the Code of Virginia. The items listed herein are fundamental internal controls necessary to reduce the risk of errors, misappropriation, or other loss of funds.