



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

November 26, 2002

The Honorable Joseph P. Bounds
Chief Judge
County of Roanoke Juvenile and
Domestic Relations District Court
305 East Main Street
Salem, VA 24153

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Roanoke Juvenile and Domestic Relations District Court for the period October 1, 2001 through September 30, 2002.

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; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Clerk needs to address as described below.

Properly Respond to Tax Set-Off Notifications

The Clerk did not properly or promptly respond to notifications from the Department of Taxation's Set-Off Program as required by the Court Debts Collections Program User's Guide resulting in a potential loss of \$954 in collections. By not responding, the Clerk allows the defendant to receive their tax refund and unpaid fines and costs may go uncollected. The Clerk should immediately establish procedures to properly and promptly monitor and respond to the availability of funds thus increasing the collections of fines and costs for the Court. In addition, the Clerk should immediately respond to any outstanding notifications received from the Department of Taxation.

Properly Account for Cash Discrepancies

The Clerk does not record daily cash register overages and shortages in the court's financial management system as required by the Financial Management System User's Guide. Instead, the Clerk and

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her staff use an unrecorded cash fund. When we brought this to her attention, the Clerk immediately recorded the unrecorded cash balance of \$145 in the court's financial management system. To avoid potential loss or misappropriation of funds, the Clerk should ensure she and her staff understand and follow the procedures for recording daily cash overages and shortages outlined in the Financial Management System User's Guide.

We discussed these comments with the Clerk on November 26, 2002 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Philip Trompeter, Judge
Ruth P. Bates, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia