



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

January 18, 2001

The Honorable Sharon B. Will  
Chief Judge  
County of Henrico Juvenile and  
Domestic Relations District Court  
P.O. Box 27032  
Henrico, VA 23273

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Henrico Juvenile and Domestic Relations District Court for the period of July 1, 1998 through June 30, 2000.

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.

## **Properly Manage Account Receivables**

The Clerk is not adequately managing the court's receivables. We found the following conditions:

- In eight of 20 cases tested, the Clerk did not properly document or calculate due date changes as required by Code of Virginia Section 19.2-354. We found that court staff sometimes alter due dates without proper documentation. Fines and costs are due immediately upon final case disposition unless otherwise ordered by a written payment plan or Judge's court order. Court staff should not alter a due date without proper documentation.

- The Clerk does not establish juvenile and adult receivables on the court's automated system promptly after the final disposition of a case. In three of 20 cases tested, the Clerk did not set up the accounts receivable for up to 17 days after the final disposition. The Clerk should establish receivables on the automated system immediately after case disposition as required by the Financial Management System User's Guide to facilitate collection procedures and increase the collection of court revenue.

### **Separate Accounting Functions**

The Clerk does not adequately separate the Court's accounting functions as required by the courts Financial Management System User's Guide, Appendix K1-4. The bookkeeper both receipts and reconciles collections. The court has two supervisory employees that only perform these functions when the bookkeeper is unavailable. Failure to properly segregate receipting duties from reconciling duties increases the risk of errors and irregularities going undetected. The Clerk should separate these accounting duties and provide adequate oversight to employees.

We discussed these comments with the Clerk on January 16, 2001, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Denis F. Soden  
The Honorable William G. Boice, Judge  
The Honorable A. Elisabeth Oxenham, Judge  
C. Thomas Elliott, Clerk  
Don Lucido, Director of Technical Assistance  
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