

**CLERK OF THE GENERAL DISTRICT COURT  
of the  
CITY OF ROANOKE**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2007 THROUGH DECEMBER 31, 2008**





# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

March 13, 2009

The Honorable Jacqueline F. Ward-Talevi  
Chief Judge  
City of Roanoke General District Court  
P.O. Box 997  
Salem, VA 24153

Audit Period: July 1, 2007 through December 31, 2008  
Court System: City of Roanoke  
Judicial District: Twenty-third  
Magisterial Region: R 3

We have audited the cash receipts and disbursements of the Clerk of the General District Court and the associated Magistrates for this locality. Our primary objectives for both the Court and the Magistrates were to test the accuracy of financial transactions recorded on the applicable financial management system; evaluate internal controls; and test its compliance with significant state laws, regulations, and policies.

## Management's Responsibility

Court and Magistrate 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 no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Additionally, we noted no instances of improper recording and reporting of financial transactions in the Magistrates' financial management records.

## Internal Controls

We noted matters involving internal control and its operation necessary to bring to Court management's attention.

As well, we noted no matters involving internal control and its operation necessary to bring to Magistrate management's attention.

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance in the Court that are required to be reported.

In addition, the results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance with the Magistrates that are required to be reported.

We acknowledge the cooperation extended to us by the Court and the Chief Magistrate during this engagement. The issues identified above are discussed in the section titled Comments to Management.

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable Francis Burkhardt, III, Judge  
The Honorable M. Frederick King, Judge  
The Honorable J. Christopher Clemens, Judge  
Ronald S. Albright, Clerk  
Kozuo Webb, Regional Magistrate Supervisor  
Raymond Leven, Chief Magistrate  
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.

#### Improve Daily Collection Procedures

The Clerk allows all of the persons handling collections to work out the same cash drawers, which has resulted in errors in receipting funds and a net cash shortage. Although the amount of the net shortage is only about \$47, the Clerk has no way of determining who contributes to this shortage.

Sound basic best practices used by most businesses and operations have individuals regularly working a cash counter use separate cash drawers and self identification on the computer or register. We for the second time recommend that the Clerk requires all employees to work have separate assigned cash drawers when working the counter.

In addition to the use of separate cash drawers, the Clerk will need to revise the daily close out and deposit procedures. We recommend the Clerk review the FMS User's Guide to ensure he and his staff follow prescribed daily accounting requirements.

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of the Clerk's noncompliance.

#### Properly Assess Fines and Costs

As noted in the previous audit, the clerk is not properly assessing and collecting fines and court appointed attorney fees involving local and state charges as required by Section 19.2-163 of the Code of Virginia. Auditor tested 20 cases and noted the following errors.

- In four cases, the court incorrectly identified charges against the defendant as a local violation rather than state resulting in a loss of revenue to the Commonwealth totaling \$550.
- In four cases, the clerk did not properly bill the locality for the court appointed attorney fees, involving a local case. The Clerk erroneously billed the Commonwealth which paid \$480.
- In four cases, the clerk miscoded the payment of unpaid fines and costs causing the wrong entity to receive the collection.
- In one case, the clerk incorrectly identified charges against the defendant as a state violation rather than local resulting in a loss of revenue to the locality totaling \$250.
- In one case, the clerk erroneously over charged a defendant by \$30 for court appointed attorney fees.

- In one case, the clerk erroneously charged a defendant \$120 in court appointed attorney fees.

We recommend the Clerk research all similar cases, make the appropriate corrections case paperwork, and where appropriate, bill the localities for the applicable court appointed attorney fees. Further, we recommend the Clerk work with the Office of the Executive Secretary to receive training in these billing practices.

#### Properly Reconcile Bank Account

The court did not complete the June 2008 bank reconciliation, and the Clerk did not review and approve four of 17 monthly bank reconciliations prepared by the bookkeeper. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. We recommend the court prepare and approve monthly bank reconciliations.