

November 10, 2000

R. Glennwood Lookabill
Clerk of the Circuit Court
County of Pulaski

Board of Supervisors
County of Pulaski

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Pulaski for the period 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; 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.

Reconcile Bank Account Promptly

The Clerk did not reconcile the bank account for 6 of the 24 months tested. We also found that in 9 other months the Clerk reconciled the account from 1 to 5 months late. Failure to reconcile bank accounts promptly can lead to errors and irregularities going undetected. A proper bank reconciliation includes identifying and resolving differences between the bank balance and the system's cash balance. The Clerk should reconcile the bank account promptly each month upon receipt of the bank statement.

Strengthen Control Over Manual Receipts

The Clerk did not document or attach manual receipts on the BR02 daily transaction report or the end of day cash register report as required by the Financial Management System User's Guide. This documentation provides a trail from the manual receipt to its receipt and

recording in the accounting system. Additionally, we found one manual receipt not correctly entered into the accounting system. The Clerk should immediately comply with procedures for documentation of manual receipts as required in the Financial Management System User's Guide and ensure that the Court properly accounts for all manual receipts and records them in the accounting system the next business day.

We discussed these comments with the Clerk on October 10, 2000, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable J. Colin Campbell, Chief Judge
Peter Huber, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia