



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 3, 2017

The Honorable C. E. Phillips
Chief Judge
County of Wise General District Court
P.O. Box 829
Wise, VA 24293

Audit Period: July 1, 2015 through June 30, 2016
Court System: County of Wise
Judicial District: Thirtieth

We are performing a statewide audit of the General District Courts. During our review of this court, we conducted certain audit procedures, as we deemed appropriate.

Management of this court is an important part of the court's accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review, we noted certain matters that required management's attention and corrective action. These matters included:

Reconcile Bank Account (Repeat)

The Clerk did not reconcile the court's bank account during the audit period. 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.

The Clerk should perform monthly bank reconciliations upon receiving the bank statements as required by the Financial Management System User's Guide.

Monitor Account Status Reports (Repeat)

The Clerk does not review the Individual Account Status Reports generated by Clerk's financial management system. Not reviewing these reports resulted in liability accounts not being disbursed timely. During the audit period, the Clerk held \$1,332 in liabilities that should have been either disbursed or escheated.

The Honorable C. E. Phillips
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February 3, 2017
Page Two

The Clerk should review automated system reports as required by the Financial Management User's Guide and take appropriate action as needed.

We acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: The Honorable Shawn Hines, Judge
Jean Sparks, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia