



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

February 26, 2004

The Honorable Suzanne Fulton
Chief Judge
County of Scott General District Court
104 East Jackson St. Suite 9
Gate City, VA 24251

The Honorable Elizabeth Wills
Chief Judge
County of Scott Juvenile and
Domestic Relations District Court
104 East Jackson St. Suite 9
Gate City, VA 24251

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Scott District Court for the period January 1, 2003 through December 31, 2003.

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 a weakness in internal controls that the Clerk needs to address as described below.

Properly Reconcile Bank Account

The Clerk could not reconcile the bank account for January to June of 2003 without the assistance of the Supreme Court in July 2003. Since July 2003, the Clerk has not properly reconciled the bank account up to February 2004, when the auditors completed the audit.

As noted above and in the prior audit, the Clerk does not perform timely and complete bank reconciliation and does not understand how to use the court's automated system to reconcile the account. Reconciling the bank account at least monthly is an important element of internal controls in the court and as such, is an essential tool for detecting errors or irregularities. Failing to immediately address this issue could have serious consequences for the court in the future.

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We discussed these comments with the Clerk on February 26, 2004 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: Michael D. Edwards, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia