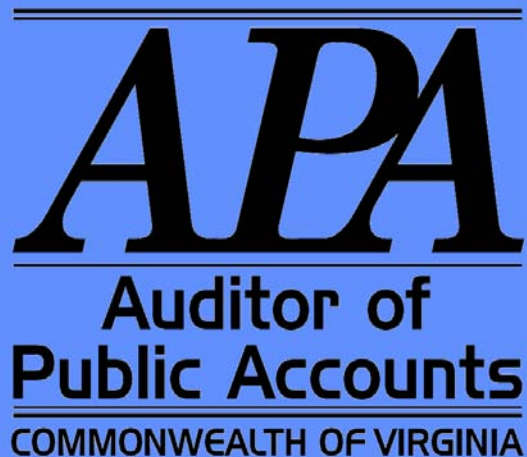


**CLERK OF THE GENERAL DISTRICT COURT  
of the  
COUNTY OF ROCKINGHAM**

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





# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

February 23, 2009

The Honorable W. Dale Houff  
Chief Judge  
County of Rockingham General District Court  
116 South Court Street, Suite B  
Luray, VA 22835

Mr. Karl R. Hade  
Executive Secretary  
Office of the Executive Secretary  
of the Supreme Court of Virginia

Audit Period: April 1, 2007 through December 31, 2008  
Court System: County of Rockingham  
Judicial District: February 23, 2009  
Magisterial District: Twenty-Sixth Judicial District

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 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 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:kmk

cc: The Honorable William D. Heatwole, Judge  
The Honorable , Judge  
The Honorable , Judge  
Bonnie L. Simmons, Clerk  
Twenty-Sixth Judicial District, Regional Magistrate Supervisor  
Monica A. Martin, Chief Magistrate  
Paul DeLosh, Director of Judicial Services  
Supreme Court of Virginia

## COMMENTS TO MANAGEMENT

### Compliance

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

#### Establish Staff Accountability Over Cash

The Clerk does not have separate cash drawers for each person and therefore could not determine who caused the eighty-seven separate cash overages/shortages during the last twenty-one month period resulting in a shortage balance of \$330.01. The Clerk should establish and implement new procedures as quickly as possible including separate cash drawers that would appropriate determine who is responsibility for the cash overages/shortages, which would helps reduce the risk of errors.

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

#### Reconcile Bank Statements Timely

The Magistrate Accounting Manual requires the magistrate to perform bank reconciliation upon receipt of each bank statement; however, Magistrate Koblish did not perform these reconciliations for three bank statements until up to two months late. The magistrate should perform all reconciliations in a timely manner.

#### Appropriately Deposit Funds

Magistrate Jacques does not deposit funds into the official bank account before issuing checks to the court. For six of 20 receipts, the magistrate deposited funds with the court before depositing the money in the bank. are instructed in Chapter 9 (9-8) of the Magistrate Accounting Manual requires that magistrates deposit collection before writing checks for the amount to the court, which could result in the magistrate overdrawn their account and having to pay insufficient fund charges.