



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

March 22, 2018

The Honorable Stephanie E. Merritt  
Chief Judge  
County of Middlesex General District Court  
P.O. Box 169  
Saluda, VA 23149

Audit Period: July 1, 2016 through June 30, 2017  
Court System: County of Middlesex  
Judicial District: Ninth

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:

### **Properly Review General Ledger**

Repeat: Yes

The Clerk does not properly review the Court's general ledger to ensure account balances are appropriate. As of June 2017, the Clerk was still holding \$75 in unclaimed property that should have been remitted to the Division of Unclaimed Property, \$191 in collection fees that should have been disbursed to the collection agent, and \$70 in collection overages.

The Clerk should correct these errors and, going forward, should review the general ledger on a daily basis to ensure the propriety of all account balances.

### **Request Tax Set-Off Refunds**

Repeat: No

The Clerk did not submit two claims to the Virginia Department of Taxation for delinquent court fines and costs totaling \$368, resulting in a loss of revenue to the Commonwealth and Locality. A court

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must submit claims for set-off of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

**Properly Document Voided Receipts**

Repeat: No

The Clerk did not document the reasons for voided transactions. These transactions pose an increased risk in fraudulent activity and, as such, the Clerk should ensure appropriate documentation for all voided transactions as required by the financial management system user's guide.

We acknowledge the cooperation extended to us by the Clerk and her staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: Gail Fulcher, Clerk  
Amy S. Pierce, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia