



# Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

July 28, 2006

The Honorable Robert G. Woodson, Jr.  
Chief Judge  
County of Appomattox General District Court  
P. O. Box 187  
Appomattox, VA 24522-0187

The Honorable William L. Wellons  
Magistrate Supervising Authority  
Tenth Judicial District  
11435 Courthouse Road  
Lunenburg, VA 23952

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Appomattox General District Court and the associated magistrates from the Tenth Judicial District for the period January 1, 2005 through June 30, 2006.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system and in the Magistrates' records; evaluate the Court's and the Magistrates' internal controls; and test 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.

### Properly Reconcile Bank Account

The Clerk failed to properly reconcile the bank statement to the courts' automated accounting system. Specifically, the Clerk did not identify and resolve reconciling items between the bank statement and the automated system for 18 months.

Timely and complete reconciliations are an essential component of effective internal controls. If the Clerk is unable to properly reconcile the bank account and promptly resolve reconciling items, she needs to contact the Supreme Court for assistance and guidance. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds.

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Properly Maintain Void Receipts

The court does not consistently maintain all three copies of voided receipts as required by the Financial Management System User's Guide. In seven of 20 voided receipts tested, the court failed to retain all three copies. Maintaining all three copies is an essential internal control and helps prevent fraud and theft from occurring. The court should immediately begin retaining all three copies of a voided receipt.

**MAGISTRATES**

The results of our tests of the Magistrate's Office found that the Magistrates properly stated, in all material respects, the amounts recorded in the financial records; no material weaknesses in the Magistrate's internal controls; and no instances of the Magistrate's noncompliance with applicable laws, regulations, and policies.

We discussed these comments with the Clerk and Chief Magistrate and we acknowledge the cooperation extended to us by the Court and the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:jth

cc: Dorothy P. Hamlet, Clerk  
William I. Oakes, Chief Magistrate  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia