



Commonwealth of Virginia

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**Auditor of Public Accounts
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May 5, 2003

The Honorable Philip V. Daffron
Chief Judge
County of Chesterfield General District Court
PO Box 144
Chesterfield, VA 23832

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Chesterfield General District Court for the period January 1, 2002 through December 31, 2002.

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 material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Staff Performance

The Clerk's staff often make errors when assessing fines and costs, and when receipting and recording payments in the Court's automated systems. Some errors remained unresolved and uncorrected for several months. Often times these errors may be attributed to a lack of understanding of automated bookkeeping procedures, other times the errors result from carelessness. We found errors in 15 of 20 cases tested. For example, in one case while trying to correct a cashiering error, staff improperly increased the fine amount owed to match the amount receipted instead of refunding the overpayment. In another case, staff attempted to correct an incorrect fine assessment, but altered the wrong defendant's account. Finally in another case, staff overlooked a defendant's appeal to the Circuit Court resulting in the improper suspension of his driver's license for failing to pay Court Costs. Compounding errors caused by carelessness, the Clerk has not updated the Court's accounting procedures manuals with the latest Supreme Court releases since the year 2000.

The Honorable Philip V. Daffron
May 5, 2003
Page Two

We also noted that the bookkeeper does not properly perform bank statement reconciliations. All four month-end reconciliations we reviewed were incorrect because 1) the bookkeeper did not list and identify all reconciling items, or total reconciling items were not mathematically correct, and 2) she often improperly adjusts the system balance for reconciling items that should instead be applied to the bank statement or checkbook balances.

As we recommended in our prior audit, because the Clerk has ultimate responsibility for the office's operations, he should ensure that his staff have an appropriate understanding of the Court's automated systems and proper bookkeeping procedures. The Clerk should work with the Supreme Court to seek training for staff to increase their knowledge in these areas. Equally important, the Clerk should review staff work daily to ensure that employees follow accepted accounting practices, perform their work properly and timely, and regularly resolving any exceptions.

Finally, the Clerk should immediately update the Court's System Accounting Manuals to reflect the latest procedures promulgated by the Supreme Court. After updating the manuals, the Clerk should require staff to consult the manuals when encountering unfamiliar or otherwise difficult bookkeeping situations.

We discussed these comments with the Clerk on May 5, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Robert D. Laney, Judge
The Honorable Thomas L. Murphey, Judge
The Honorable Thomas L. Vaughn, Judge
Carlton L. Hudson, Clerk
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