



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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March 31, 2003

The Honorable Kenneth Farrar
Chief Judge
City of Lynchburg Juvenile and
Domestic Relations District Court
Post Office Box 757
Lynchburg, VA 24505

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the City of Lynchburg Juvenile and Domestic Relations 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 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.

Strengthen Accountability Over Manual Receipts

The Clerk needs to strengthen the procedures for recording and maintaining accountability over manual receipts. We found a \$98 manual receipt that remained unrecorded in the Financial Management System for seven days after payment. In addition, of the 13 manual receipts tested, three were incomplete, two were issued out of sequence, and two were not properly documented on the End of Day report or the Receipt Number Summary form as required by Financial Management System Users Guide. Such conditions increase the risk of loss or theft of court monies. The Clerk should immediately comply with procedures for the documentation, use and recording of manual receipts as required in the Financial Management System User's Guide.

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We discussed these comments with the Clerk on March 31, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable William R. Light, Judge
Heather D. Lyman, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia