



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

August 21, 2000

L. Wayne Harper
Clerk of the Circuit Court
County of Rockingham

Board of Supervisors
County of Rockingham

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Rockingham for the period April 1, 1998 through September 30, 1999.

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

Maintain Accountability Over Manual Receipts

The Clerk does not have adequate accountability over manual receipts. In our test of fifteen manual receipts, we found the following weaknesses that greatly increase the risk of errors or irregularities:

- The Clerk uses a 2-part unbound manual receipt and keeps a log of the receipt numbers issued. The use of 2-part receipts does not allow the Clerk to retain a third copy in a bound receipt book for permanent record. If the second copy is misplaced or lost, there is no documentation of the manual receipt available without a third copy in a permanent receipt book. The Clerk gives the original receipt to the payor and files the second receipt copy along with other cash register generated daily receipts. This practice makes it very difficult and time consuming for us to verify the proper recording of manual receipts in the Court's automated accounting system.

- For all fifteen receipts tested, the Clerk did not document or attach manual receipts on the BR02 daily transaction report or the end of day cash register report as required by the Financial Management System User's Guide. This required documentation provides a trail from the manual receipt to its receipt and recording in the accounting system. We verified the recording of twelve of the manual receipts into the Court's accounting system but we were unable to completely verify the recording of the other three receipts due to the lack of a clear trail. We verified that the Clerk did credit individual defendant accounts in the accounting system for an amount but we could not easily locate the second copy of the manual receipt to verify that the Clerk receipted the proper amount promptly and recorded the same into the accounting system.
- In 2 instances, the Court did not record the manual receipts into the accounting system the next business day.
- There was one receipt number listed on the log for which we found no supporting documentation.

The Clerk should immediately comply with procedures for documentation of manual receipts as required in the Financial Management System User's Guide and ensure that the Court properly accounts for all manual receipts and records them in the accounting system the next business day. The Clerk should also obtain three-part manual receipts so that one copy of the receipt can remain in the receipt book as a permanent record in case the second copy is misplaced.

Properly Record Community Service Journal Vouchers

The Clerk does not record journal vouchers properly when applying Community Service to the defendant's account. The Clerk either subtracts the credit amount or zeros out the defendant's account instead of preparing a journal voucher to record the service. The Financial Management System User's Guide states that courts should give credit to a defendant's account by journal voucher for Community Service. The Clerk should use journal vouchers to properly record the credit for service performed against the charged amount in the defendant's account.

Investigate And Pay Liabilities

The Clerk does not properly investigate and disburse depository bonds as evidenced by the Clerk holding 24 criminal bonds dating back to 1993 and 21 civil bonds dating back to 1994. The Clerk should promptly investigate and disburse these bonds and annually review the case status for all depository bonds. For all ended cases, the Clerk should refund the bond to the payor or remit to the State Treasurer as unclaimed property.

We discussed these comments with the Clerk on April 30, 2000 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Porter R. Graves, Jr., Chief Judge
William G. O'Brien, Co. Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia

L. Wayne Harper
Clerk of the Circuit Court
County/City of Rockingham/Harrisonburg Court House
Court Square
Harrisonburg, VA 22801

The Honorable Porter R. Graves, Jr., Judge
Chief Judge of the Circuit Court
County/City of Rockingham/Harrisonburg Court House
Court Square
Harrisonburg, VA 22801

Board
County/City of Rockingham/Harrisonburg
20 E. Gay Street
Harrisonburg, VA 22802

William G. O'Brien
Co. Administrator
County/City of Rockingham/Harrisonburg
20 E. Gay Street
Harrisonburg, VA 22802

Bruce Haynes, Executive Secretary
Compensation Board
202 North Ninth Street
Richmond, VA 23219

Martin Watts, Court Analyst
Supreme Court of Virginia
North Ninth Street
Richmond, VA 23219

Paul Delosh, Technical Assistance
Supreme Court of Virginia
North Ninth Street
Richmond, VA 23219

Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
North Ninth Street
Richmond, VA 23219

Director, Admin and Public Records
Department of Accounts
James Monroe Building
2nd Floor

Admin File

Working Papers