



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

April 19, 2001

The Honorable John R. Stevens  
Chief Judge  
County of Stafford General District Court  
Fredericksburg General District Court  
P. O. Box 180  
Fredericksburg, VA 22404-0180

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Stafford General District Court for the period of July 1, 1999 through December 31, 2000.

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.

## **Properly Manage Cash Collections**

The Clerk has not followed proper procedures for the accounting of daily cash collections. We found the following.

- For six of 15 days collections tested, the Clerk deposited daily collections up to four days late. The Clerk must make daily deposits as cited in Chapter 9, Section VII, of Financial Management System User's Guide. Delaying the deposit of daily collections increases the risk of misappropriation or theft. The Clerk should make daily deposits to reduce this risk of loss or theft.
- For three of 15 receipts tested, the Clerk did not promptly transfer receipts from the Daily Collections account to the checking account and these transfers were up to three days late. The Clerk should make a journal voucher entry daily to record the deposit of funds as found in Chapter 9, Section VII, of Financial Management System User's Guide. Not performing these transfers could lead to undetected errors on the bank reconciliation. The Clerk should perform transfers daily to reduce this risk.

## **Properly Manage Accounts Receivable**

In ten of 20 cases tested, the Clerk did not properly document and calculate due dates as required by Section 19.2-354 of the Code of Virginia. We noted that the Clerk alters the due dates without proper documentation. Due dates should not be changed unless there is a signed payment agreement or a judge's court order. The Clerk should not change due dates without proper documentation.

We discussed these comments with the Clerk on April 2001, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable H. Harrison Braxton, Jr., Judge  
Julie A. Matthews, Clerk  
Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
LeAnne Lane, Court Analyst  
Supreme Court of Virginia

The Honorable John R. Stevens  
Chief Judge  
County of Stafford General District Court  
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Julie A. Mathews  
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The Honorable H. Harrison Braxton, Jr., Judge  
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1 Report File  
1 Working Papers

**Commonwealth of  
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**TO: Julie A. Mathews., Clerk of the General District Court**

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Clerk Fax Number –

Clerk Phone Number –

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**FROM:**

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**DATE: Wednesday, December 15, 1999**

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**Number of pages including cover page: 3**

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**CONFIDENTIAL FOR:, Julie A. Mathews**

**MESSAGE:** Enclosed is a **DRAFT COPY** of our audit report. We previously discussed these findings with you during the audit. We are providing this draft copy to afford you an additional opportunity to comment before we finalize the report.

**It is important that you call \_\_\_\_\_ at (804)-225-3350 when you receive this draft for a discussion of our findings.** We will issue the final report shortly after hearing from you.