



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

August 17, 2001

The Honorable Robert G. Woodson, Jr.  
Chief Judge  
County of Cumberland General District Court  
P. O. Box 24  
Cumberland, VA 23040

The Honorable Frank M. Slayton  
Chief Judge  
County of Cumberland Juvenile and  
Domestic Relations District Court  
P. O. Box 430  
Halifax, VA 24558

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Cumberland District Court for the period October 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.

### **Deposit and Record Daily Collections Timely**

The Clerk only makes weekly deposits approximately three or four times a month with each deposit averaging over \$3,000. Furthermore, we found that the Clerk posts the deposit to the automated accounting system before actually depositing the collections and receiving the validated bank deposit slip.

Untimely deposits unnecessarily expose collections to a risk of misappropriation or theft. Even though most of this money is checks, there is still risk of misappropriation or theft. Posting deposits to the automated accounting system before receiving a validated bank deposit slip does create unnecessary differences and increases the risk of errors. Further increasing the risk of errors is the fact that the Clerk does not reconcile her bank account monthly as noted below.

Although the judge has authorized the Clerk to make deposits once or twice a week, we believe the judge should reconsider this authorization in the total context of internal controls within the court. To avoid these issues, the Clerk should obtain supporting documentation and record and deposit funds as required. Following the Financial Management System Manual and making timely deposits will reduce the risk of loss and error and ease the record keeping process.

### **Reconcile Bank Account Monthly**

The Clerk has not reconciled her bank account since February 2000. We reconciled the Clerk's bank account through April 2001 and found a difference of \$160.94. This difference had been identified by the Clerk and was comprised of bank service charges and return check fees. Proper bank reconciliations include identifying and resolving differences between the bank balance and the accounting system's cash balance. Monthly bank reconciliations help ensure that all transactions are properly recorded and that any errors are detected timely. The Clerk should reconcile her bank account monthly, identifying and adjusting all reconciling items promptly. If the Clerk cannot reconcile the bank account, she should immediately seek technical assistance from the Supreme Court.

We discussed these comments with the Clerk on August 17, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable William S. Kerr, Judge  
Carolyn Z. Helgeson, Clerk  
Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
LeAnne Lane, Court Analyst  
Supreme Court of Virginia

The Honorable Robert G. Woodson, Jr.  
Chief Judge  
County of Cumberland General District Court  
P. O. Box 24  
Cumberland, VA 23040

The Honorable Frank M. Slayton  
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County of Cumberland Juvenile and Domestic Relations  
P. O. Box 430  
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Carolyn Z. Helgeson  
Clerk of the Court  
County of Cumberland  
P. O. Box 24  
Cumberland, VA 23040

The Honorable William S. Kerr, Judge  
P. O. Box 26  
Appomattox, VA 24522

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1 Report File  
1 Working Papers

Commonwealth of  
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Richmond, Virginia 23219  
(804) 225-3350

**TO:** Carolyn Z. Helgeson, Clerk of the Combined 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:, Carolyn Z. Helgeson**

**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.