



# The Commonwealth of Massachusetts

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INDEPENDENT STATE AUDITOR'S REPORT ON  
CERTAIN ACTIVITIES OF THE  
LYNN DIVISION OF THE  
DISTRICT COURT DEPARTMENT OF THE  
MASSACHUSETTS TRIAL COURT  
JULY 1, 2006 TO JUNE 30, 2007

OFFICIAL AUDIT  
REPORT  
OCTOBER 31, 2008

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The Massachusetts Trial Court was created by Chapter 478 of the Acts of 1978, which reorganized the courts into seven Trial Court Departments: the Boston Municipal Court, the District Court, the Housing Court, the Juvenile Court, the Probate and Family Court, the Superior Court, and the Land Court. Chapter 211B of the Massachusetts General Laws authorized the District Court Department to establish 62 Divisions, each having a specific territorial jurisdiction, to preside over civil and criminal matters that are brought before it. The Division's organizational structure consists of three separately managed offices: the Judge's Lobby, headed by a First Justice; the Clerk-Magistrate's Office, headed by a Clerk Magistrate; and the Probation Office, headed by a Chief Probation Officer. The First Justice is the administrative head of the Division and is responsible for preparing the Division's budget and accounting for its revenues; however, the Clerk-Magistrate and the Chief Probation Officer are responsible for the internal administration of their respective offices.

The Lynn Division of the District Court Department, (LDC), presides over civil and criminal matters falling within its territorial jurisdiction: the City of Lynn and towns of Marblehead, Nahant, Saugus and Swampscott. During the period July 1, 2006 to June 30, 2007, LDC collected revenues of \$2,585,029 and disbursed them to the Commonwealth and to those municipalities within its jurisdiction. In addition to processing civil entry fees and monetary assessments on criminal cases, LDC was custodian of approximately 812 cash bails amounting to \$745,501 as of June 30, 2007 and 10 small claims deposits totaling \$1,000 as of June 30, 2007.

LDC is also responsible for conducting civil motor vehicle infractions (CMVI) hearings. Although LDC does not collect the associated monetary assessment when a motorist is found responsible for a CMVI, it is required to submit the results of the hearing to the Registry of Motor Vehicles, the agency that is responsible for the collections.

LDC operations are funded by appropriations under the control of either the Division, the Administrative Office of the Trial Court (AOTC), or Office of the Commissioner of Probation. According to the Commonwealth's records, expenditures associated with the operation of the Division were \$1,401,452 for the period July 1, 2006 to June 30, 2007.

The purpose of our audit was to review LDC's internal controls and compliance with state laws and regulations regarding administrative and operational activities, including cash management, bail funds, and criminal and civil case activity for the period July 1, 2006 to June 30, 2007.

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#### 1. IMPROVEMENTS NEEDED IN DEVELOPING AN INTERNAL CONTROL PLAN AND CONDUCTING PERIODIC RISK ASSESSMENTS

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Our review found that LDC did not develop an internal control or conduct periodic risk assessments for its Probation Office as required by state law and regulations. In addition, both the Judge's Lobby and the Clerk Magistrate's Office's internal control plans should better identify risks associated with each transaction cycle or event requiring

controls. The LDC Clerk-Magistrate's Office should modify its internal control plan to better describe its accounting and information systems, and to more closely identify how the control and monitoring activities associated with these systems would mitigate any identified risks.

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**2. IMPROVEMENTS NEEDED OVER BAIL RECORDS****7**

Our review of the Clerk Magistrate's cash reconciliation for June 30, 2007 revealed that the court did not maintain a detailed trial balance to support the cash journal bail amount of \$745,501. At our request, the Clerk developed a trial balance total by tabulating the open amounts in the manual bail registers, which totaled \$748,786, representing a variance of \$3,285.

In December 2007, AOTC installed an automated bail system and provided the bookkeeper with applicable training which should help LDC develop a trial balance in a timely fashion and reduce errors inherent in posting to the manual bail registers. At the time of conversion to the automated system, AOTC informed us that the trial balance of bail totaled \$748,251 as compared to the \$749,926 reported in the cash journal, a difference of \$1,675. At the conclusion of our fieldwork, LDC was researching the variances noted by the OSA and AOTC.

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**3. IMPROVEMENTS NEEDED IN PROCESSING OLD RESTITUTION MONIES****9**

Our review of the trial balance of restitution accounts prepared by the Probation Office revealed that payments to victims were not being paid in a timely manner and unclaimed funds and uncashed checks are not being remitted to the State Treasurer in accordance with the General Laws. The total trial balance of restitution monies reflects 209 accounts totaling \$111,957 as of June 30, 2007. Of this total restitution amount, 193 accounts totaling \$96,589 were over one year old. We were told that the large number of old accounts was due to the Probation Office occasionally getting incomplete or outdated information regarding victims. Therefore, the Probation Office accepts the restitution payments and assigns them to an "Unknown Payee" status hoping to get victim information later.

After we informed the Probation Office regarding the status of the restitution accounts, the Probation Office worked with the Clerk Magistrate's Office and reviewed case papers to identify victims or to make the determination to remit monies to the State Treasurer. Shortly before the conclusion of our fieldwork, the Probation Office disbursed \$59,609 to the State Treasurer and \$5,547 to victims owed restitution.

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**4. IMPROVEMENTS NEEDED IN REVENUE RECONCILIATION****10**

Our audit found that the Court accounted for and transmitted revenues to the Commonwealth in accordance with established procedures. However, we found that office personnel had not attempted to reconcile revenue remitted to the Commonwealth since July 1, 2004 when the Commonwealth changed its accounting system. With the Commonwealth's implementation of an upgraded automated accounting system, LDC was no longer able to reconcile its revenue transmittals with the Commonwealth's new accounting system. As a result, the LDC and the Commonwealth cannot be assured that revenues were properly received and credited to the appropriate general or specific state revenue account.

## INTRODUCTION

### *Background*

The Massachusetts Trial Court was created by Chapter 478 of the Acts of 1978, which reorganized the courts into seven Trial Court Departments: the Boston Municipal Court, the District Court, the Housing Court, the Juvenile Court, the Probate and Family Court, the Superior Court, and the Land Court. The statute also created a central administrative office managed by a Chief Administrative Justice (CAJ), who is also responsible for the overall management of the Trial Court. The CAJ charged the central office, known as the Administrative Office of the Trial Court (AOTC), with developing a wide range of centralized functions and standards for the benefit of the entire Trial Court, including a budget; central accounting and procurement systems; personnel policies, procedures, and standards for judges and staff; and the management of court facilities, security, libraries, and automation.

Chapter 211B of the Massachusetts General Laws authorized the District Court Department (DCD), which has civil jurisdiction over money-damage cases involving tort and contract actions; small claims; summary process; civil motor vehicle infractions (CMVI); mental health, alcoholism, and drug abuse commitments; and juvenile matters in Districts without a Juvenile Court. Its criminal jurisdiction extends over all misdemeanors and certain felonies. The DCD established 62 Divisions, each having a specific territorial jurisdiction, to preside over the civil and criminal matters that are brought before it. The Division's organizational structure consists of three separately managed offices: the Judge's Lobby, headed by a First Justice; the Clerk-Magistrate's Office, headed by a Clerk-Magistrate; and the Probation Office, headed by a Chief Probation Officer. The First Justice is the administrative head of the Division and is responsible for preparing the Division's budget and accounting for its revenues; however, the Clerk-Magistrate and the Chief Probation Officer are responsible for the internal administration of their respective offices.

The Lynn Division of the District Court Department (LDC) presides over civil and criminal matters falling within its territorial jurisdiction: the City of Lynn and towns of Marblehead, Nahant, Saugus, and Swampscott. During our audit period, July 1, 2006 through June 30, 2007, LDC collected revenues totaling \$2,585,029, which it disbursed to the Commonwealth and to those municipalities. The majority (approximately 95.5%) of revenue collected by LDC was paid to the Commonwealth as either general or specific state revenue - totaling \$ 2,469,525 - as follows:

Revenue Type	Amount
General Revenue	\$1,264,933
Probation Fees	637,668
Legal Counsel	280,610
Surcharges	90,872
Victim/Witness Fund	51,042
Head Injury Program	50,995
Alcohol Fees	47,830
Indigent Defense	17,875
Victims of Drunk Driving	10,174
Indigent Salary Enhancement Trust Fund	7,350
Fish and Game	5,845
Highway Fund	3,303
Drug Analysis	520
Miscellaneous	508
Total	<u>\$2,469,525</u>

Both the Clerk- Magistrate's Office and the Probation Office processed receipts and disbursements from July 1, 2006 through June 30, 2007, of which approximately \$887,169 consisted of suspended fines and costs that were collected by the Probation Office and were submitted to the Clerk-Magistrate's Office for transmittal to the Commonwealth. During the same period, the Probation Office collected approximately \$229,459 of restitution money and paid \$226,383 directly to the victims.

In addition to processing civil case-entry fees and monetary fee assessments on criminal cases, LDC was custodian of approximately 812 cash bails amounting to \$745,501 as of June 30, 2007. Bail in the form of cash (LDC does not accept non-cash forms of bail) is the security given to the court by defendants or their sureties to obtain release and to ensure appearance in court, at a future date, on criminal matters. Bail is subsequently returned, upon court order, if defendants adhere to the terms of their release. In addition, LDC was the custodian for 10 small claims deposits totaling \$1,000 as of June 30, 2007.

LDC is also responsible for conducting civil motor vehicle infraction (CMVI) hearings, which are requested by the alleged violator and heard by a Clerk-Magistrate or judge who determines whether the driver is responsible for the CMVI offenses cited. LDC does not collect the associated monetary assessment when a violator is found responsible, but it is required to submit the results of the hearing to the Registry of Motor Vehicles, which follows up on collections.

LDC operations were funded by appropriations under the control of either the Division (local) or the AOTC or Commissioner of Probation Office (central). Under local control was an

appropriation for personnel-related expenses of the Clerk-Magistrate's Office and Judge's Lobby support staff, and certain administrative expenses (supplies, periodicals, law books, etc.). Other administrative and personnel expenses of the Division were paid by centrally controlled appropriations. According to the Commonwealth's records, local and certain central appropriation expenditures associated with the operation of the Division for the period of July 1, 2006 through June 30, 2007 totaled \$1,401,452<sup>1</sup>.

***Audit Scope, Objectives, and Methodology***

In accordance with Chapter 11, Section 12, of the General Laws, the Office of the State Auditor conducted an audit of the financial and management controls over certain operations of LDC. The scope of our audit included LDC's controls over administrative and operational activities, including cash management, bail funds, and criminal- and civil-case activity, for the period July 1, 2006 through June 30, 2007.

Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included audit procedures and tests that we considered necessary under the circumstances.

Our audit objectives were to (1) assess the adequacy of LDC's internal controls over cash management, bail funds, and civil- and criminal-case activity and (2) determine the extent of controls for measuring, reporting, and monitoring effectiveness and efficiency regarding LDC's compliance with applicable state laws, rules, and regulations; other state guidelines; and AOTC and DCD policies and procedures.

Our review centered on the activities and operations of LDC's Judge's Lobby, Clerk-Magistrate's Office, and Probation Office. We reviewed bail and related criminal-case activity. We also reviewed cash management activity and transactions involving criminal monetary assessments and civil case entry fees, to determine whether policies and procedures were being followed.

To achieve our audit objectives, we conducted interviews with management and staff, reviewed prior audit reports, the State Comptroller's Massachusetts Management Accounting and Reporting

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<sup>1</sup> This amount does not include certain centrally controlled expenditures, such as facility lease and related operational expenses, as well as personnel costs attributable to judges, court officers, security officers, and probation staff, and related administrative expenses of the probation office, since they are not identified by court division in the Commonwealth's accounting system.

System reports, AOTC statistical reports, and LDC's organizational structure. In addition, we obtained and reviewed copies of statutes, policies and procedures, accounting records, and other source documents. Our assessment of internal controls over financial and management activities at LDC was based on those interviews and the review of documents.

Our recommendations are intended to assist LDC in developing, implementing, or improving internal controls and overall financial and administrative operations to ensure that LDC's systems covering cash management, bail funds, and criminal- and civil-case activity operate in an economical, efficient, and effective manner and in compliance with applicable rules, regulations, and laws.

Based on our review, we determined that, except for the issues noted in the Audit Results section of this report, LDC (1) maintained adequate internal controls over cash management, bail funds, and civil- and criminal-case activity; (2) properly recorded, collected, deposited, and accounted for all receipts; and (3) complied with applicable laws, rules, and regulations, for the areas tested.

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## AUDIT RESULTS

### 1. IMPROVEMENTS NEEDED IN DEVELOPING AN INTERNAL CONTROL PLAN AND CONDUCTING PERIODIC RISK ASSESSMENTS

Our review of internal controls at the Lynn District Court (LDC) found that the court did not develop an internal control plan for its Probation Office, and that enhancements were needed to the internal control plans developed by the Clerk-Magistrate's Office and the Judge's Lobby to comply with state law and AOTC rules and regulations. As a result, AOTC's efforts to ensure the integrity of court records and assets were not optimized.

Chapter 647 of the Acts of 1989, an Act Relative to Improving the Internal Controls within State Agencies, states, in part: "Internal control systems for the various state agencies and departments of the commonwealth shall be developed in accordance with internal control guidelines established by the Office of the Comptroller." Subsequent to the passage of Chapter 647, the Office of the State Comptroller (OSC) issued written guidance in the form of the Internal Control Guide for Managers and the Internal Control Guide for Departments, which require that each department's internal control plan be unique and contain five components: risk assessment, control environment, information and communication, control activities, and monitoring. A revised Commonwealth Internal Control Guide subsequently replaced these internal control guides by streamlining what was contained in the previous guides and incorporating other internal control principles. The OSC again stressed the importance on internal controls and the need for departments to develop internal control plans, defined as follows:

*An internal control plan is a description of how a department expects to meet its various goals and objectives by using policies and procedures to minimize risk. The Commonwealth has defined the internal control plan to be a high-level summary supported by lower level policy and procedures.*

Accordingly, AOTC issued Internal Control Guidelines for the Trial Court, establishing the following requirement for department heads when developing an internal control plan, including the following important internal control concepts:

*[The internal control plan] must be documented in writing and readily available for inspection by both the Office of the State Auditor and the AOTC Fiscal Affairs department, Internal Audit Staff. The plan should be developed for the fiscal, administrative and programmatic operations of a department, division or office. It must explain the flow of documents or procedures within the plan and its procedures cannot*



*conflict with the Trial Court Internal Control Guidelines. All affected court personnel must be aware of the plan and/or be given copies of the section(s) pertaining to their area(s) of assignment or responsibility.*

*The key concepts that provide the necessary foundation for an effective Trial Court Control System must include: risk assessments; documentation of an internal control plan; segregation of duties; supervision of assigned work; transaction documentation; transaction authorization; controlled access to resources; and reporting unaccounted for variances, losses, shortages, or theft of funds or property.*

In addition to the Internal Control Guidelines, Fiscal Systems Manual, and Personnel Policies and Procedures Manual, AOTC has issued additional internal control guidance (administrative bulletins, directives, and memorandums) in an effort to promote effective internal controls in court divisions and offices.

The Chief Probation Officer stated that he thought AOTC's internal control guidelines dated July 1, 1998, along with various policies and procedures manuals, constituted the Probation Office's internal control plan.

During the course of our fieldwork, the Clerk-Magistrate's Office and the Judge's Lobby both prepared internal control plans for their respective areas which attempted to incorporate the internal control components discussed in the guidelines issued by the AOTC and OSC. Our review of the Clerk Magistrate's plan indicated that it could be improved by identifying risks associated with each transaction cycle or event (cash collection, disbursements, docket control, record retention etc.) rather than just making general statements about risk. Also, the information and communication systems sections (accounting and non-accounting) in place at the Clerk-Magistrate's Office should be better documented and the monitoring and control activities should be more closely linked with the risks identified and the associated information and communication systems. Similarly, the Judge's Lobby internal control plan could be improved by defining the risks associated with each functional area discussed in the plan rather than by general statements about risk in the plans introduction. We advised the LDC about the guidance available on the OSC's website, and suggested that AOTC staff could assist in developing and improving internal control plans.

***Recommendation***

Both the Judge's Lobby and the Clerk Magistrate's Office should identify the risks associated with each transaction cycle or area requiring controls. The LDC Clerk-Magistrate's Office

should modify its internal control plan to better describe its accounting and information systems, and to more closely identify the control and monitoring activities associated with these systems and identified risks. The LDC Probation Office should review AOTC's internal control publications, conduct a risk assessment, and develop a high-level internal control plan that addresses the risks and internal control requirements specific to its operations. Moreover, LDC should conduct annual risk assessments and update its internal control plans based on the results of these risk assessments as necessary.

### ***Auditee's Response***

The Clerk-Magistrate provided the following response:

*The Internal Control Plan for the Office of the Clerk-Magistrate was revised and updated in March 2008 as part of the ongoing effort to improve the Internal Controls for the Office of the Clerk-Magistrate. A risk assessment was incorporated into the plan with a response to each risk. Efforts are ongoing to better describe accounting and information systems. The organizational structure of the office has been clarified with an updated organizational chart that includes the names of the employees responsible for accounting functions and their back-up, rather than their job titles.*

*Risk assessments will be reviewed and the Internal Control Plan updated annually.*

## **2. IMPROVEMENTS NEEDED OVER BAIL RECORDS**

AOTC procedures require the completion of a monthly cash reconciliation in which the cash journal, check register, and the trial balance are reconciled to the local bank and the State Treasurer's cash balances. The cash journal, check register and the trial balance should agree with each other and should be supported by proper accounting records. These procedures are described in the Trial Court's Fiscal Systems Manual, and were updated on January 1, 2006 by an AOTC memorandum (Consolidated Automated Cash Journal Procedures) to reflect the automation of cash records.

Our review of the June 30, 2007 cash reconciliation for the LDC's Clerk-Magistrate's Office indicated that the court did not maintain a detailed trial balance to support the bail total of \$745,501 shown in cashbook. We were told that the court entered the cash journal total for bail (plus small claim deposits of \$1,000 and advances of \$100) on the trial balance line of the reconciliation because it had not maintained a detailed trial balance since August 2005.

Our review showed that the LDC's Clerk-Magistrate's Office lacked an automated system for developing and retaining a detailed trial balance of bail. LDC's Clerk-Magistrate's Office maintained manual bail registers and could only develop a detailed trial balance by tabulating unreturned bail amounts in these registers. At our request, LDC's Clerk-Magistrate's Office reviewed the open items on these registers and arrived at a total of \$748,786, which differed from the cashbook bail total of \$745,501 by \$3,285. Since the bail balance per the cashbook reconciles to the bank statement, court personnel are using this amount to reconcile to the trial balance. Therefore, to identify the variance, we suggested that clerical staff check for bail disbursements (returns and transfers) that may not have been recorded in the bail registers.

In December 2007, AOTC installed an automated bail system and provided the bookkeeper with additional training on how to perform the required month-end cut off procedures, which should help to develop a trial balance in a timely fashion and reduce errors inherent in developing a trial balance from the manual bail registers. At that time, AOTC personnel told us that the total of the bail trial balance was \$748,251, as compared to the \$749,926 reported in the cash journal, a difference of \$1,675. LDC's Clerk Magistrate's Office was researching the variances noted by the OSA and AOTC.

### ***Recommendation***

The Clerk Magistrate's Office should strive to resolve the variances between the cash journal and the bail registers; post transactions to the automated trial balance in a timely fashion; and reconcile the trial balance total to the cash journal and check register on a monthly basis in accordance with AOTC procedures.

### ***Auditee's Response***

The Clerk-Magistrate provided the following response:

*The staff of the Office of the Clerk-Magistrate has been trained by staff from the Administrative Office of the Trial Court in the newly installed automated system for developing and retaining a detail trial balance for bail. With this training and the technical assistance provided by AOTC, all variances that appeared between the cash journal and the bail registers were identified and resolved before the end of Fiscal Year 2008.*

*The temporary upgrade of [name of employee] into the position of Account Clerk by AOTC enabled appropriate assignment of fiscal functions with appropriate back-up.*

*The automated system has enabled the Account Clerk to post transactions to the automated trial balance in a timely manner and reconcile the trial balance to the cash journal and check register on a daily basis in compliance with the Trial Court Fiscal Systems Manual, as updated by the AOTC memorandum "Consolidated Automated Cash Journal Procedures" dated January 1, 2006.*

### 3. IMPROVEMENTS NEEDED IN PROCESSING OLD RESTITUTION MONIES

Section 92 of Chapter 276 of the General Laws directs the Probation Office to receive and disburse restitution payments as follows:

*If a person is placed on probation upon condition that he makes restitution or reparation to the person injured by him in the commission of his offence, and payment is not made at once, the court may order that it shall be made to the probation officer, who shall give receipts for and keep record of all payments made to him, pay the money to the person injured and keep his receipt therefore, and notify the clerk of the court whenever the full amount of the money is received or paid in accordance with such order or with any modification thereof.*

Our review of the trial balance of restitution accounts prepared by the Probation Office revealed that payments to victims are not being paid in a timely manner and unclaimed and uncashed checks are not being remitted to the State Treasurer. The LDC Probation Office was unaware of the provisions of Section 93 of Chapter 276 of the General Laws which states:

*...money collected by the probation officer under order of the court by which he is appointed, if unclaimed after one year from the time of its collection, shall upon further order of the court, be paid to the treasurer provided, that any part of the said money may be paid to persons establishing before the comptroller a lawful claim thereto within five years of the payment to said treasurer...*

We prepared an aging of the Probation Office trial balance of restitution accounts at June 30, 2007. Of the total restitution trial balance of 209 accounts totaling \$111,957, 193 accounts totaling \$96,589 were over one year old, as shown in the following chart:

Age (Years)*	Number of Cases	Amount	"Unknown Payees"
Less than 1 year	16	\$15,368	4
1 to 2	11	10,959	2
2 to 5	37	19,733	6
5 to 10	69	37,905	11
10 to 20	<u>76</u>	<u>27,992</u>	<u>16</u>
	<u>209</u>	<u>\$111,957</u>	<u>39</u>

\*Measured from time initial payment received by Probation Office.

The table also shows that 39 accounts did not identify the victims' names, due to the Probation Office getting incomplete or outdated information. In these instances, the Probation Office accepted the payments and applied them to the "Unknown Payee" category with hopes that it would get the specific victim information later.

After we informed the Probation Office about the restitution accounts, LDC officials reviewed case papers to obtain the identity or addresses of victims or to determine what amounts should be forwarded to the State Treasurer. Shortly before the end of our field work, the Probation Office made the following disbursements:

Number of Accounts	Amount	Payee	Disposition
8	\$5,547	Victims	Restitution
22	\$10,254	State Treasurer	Abandoned Property (Do not have victims' current address)
13	\$12,093	State Treasurer	Miscellaneous Income (Victims name unknown)
113	\$37,262	State Treasurer	Unpaid Check Fund (For checks written but not cashed)

The Probation Office needs to continue its review of old restitution amounts and disburse them to the victims or the State Treasurer as appropriate. In the future, the LDC needs to ensure that it receives timely and correct information about victims owed restitution.

#### ***Recommendation***

The LDC needs to improve its processing of restitution monies by ensuring that it receives accurate information regarding victims so that restitution can be disbursed in a timely manner. LDC also needs to review its restitution accounts periodically so that unclaimed amounts can be forwarded to the State Treasurer as prescribed.

#### **4. IMPROVEMENTS NEEDED IN REVENUE RECONCILIATION**

Our audit noted that the LDC accounted for and transmitted revenues to the Commonwealth in accordance with established procedures. However, we found that office personnel had not attempted to reconcile revenue remitted to the Commonwealth since July 1, 2004, when the

Commonwealth changed its accounting system. With the Commonwealth's implementation of an upgraded automated accounting system, LDC was no longer able to reconcile its revenue transmittals with the Commonwealth's new Massachusetts Management Accounting and Reporting System (MMARS). As a result, the LDC and the Commonwealth cannot be assured that revenues were properly received and credited to the appropriate general or specific state revenue account.

With the Commonwealth's change in accounting system, the former revenue reconciliation report (the 466C report) was no longer available as of July 1, 2004. Effective August 16, 2006, AOTC issued Fiscal Year 2007 Memo #6, which addressed new procedures for revenue transmittal, reporting and reconciliation. The new procedure allows courts to verify revenue transactions and addresses the revenue reconciliation requirements.

During the audit, we informed the LDC Clerk-Magistrate's bookkeeper of the new reconciliation procedures, and they subsequently reconciled LDC's revenue totals to AOTC's revenue totals for the court as of June 30, 2007.

***Recommendation***

LDC should continue to reconcile its monthly revenues in accordance with the updated AOTC procedures to ensure that all revenues disbursed to the Commonwealth have been properly applied to the correct court and fund.

***Auditee's Response***

The Clerk-Magistrate provided the following response:

*The Account Clerk in the Office of the Clerk-Magistrate has continued to reconcile monthly revenue with the Commonwealth's accounting system in accordance with the AOTC procedures as set forth in Fiscal Year 2007 Memo #6, effective August 16, 2006, thus ensuring that the revenue disbursed to the Commonwealth has been properly received and credited to the appropriate general or specific state revenue account.*