

## **LBA Financial Audit Report Summary:**

### **District Courts Financial Audit Report For The Fiscal Year Ended June 30, 2008**

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#### **Reporting Entity And Scope**

The reporting entity of this audit and audit report is the New Hampshire District Courts. The scope of this audit and audit report does not include the financial activity of the Administrative Office of the Courts which provides administrative services to the District Courts, and the financial activity related to the facilities used by the District Courts which are provided by the Department of Administrative Services. The scope of this audit and audit report includes the financial activity of the District Courts for the fiscal year ended June 30, 2008. Unless otherwise indicated, reference to the Courts refers to the District Courts.

#### **Organization**

Chapter 383, Laws of 1983, created a unified court system with the State responsible for the funding and operation of all courts including the District Courts. The Supreme Court has overall responsibility for the operation of the unified court system. The Administrative Office of the Courts (AOC) is the administrative arm of the Supreme Court and carries out the Supreme Court's directives in its oversight of the unified court system. The AOC is headed by a director who serves at the pleasure of the Supreme Court.

At June 30, 2008, 353 employees including 25 full-time and 29 part-time judges and 183 full-time and 116 part-time non-judicial employees staffed the District Courts.

#### *District Court Locations*

District courts serve one or more towns. At June 30, 2008, thirty-four District Courts operated in the State in the following thirty-five locations.

Berlin	Haverhill	Milford
Candia	Henniker	Nashua
Claremont	Hillsborough	New London
Colebrook	Hooksett	Newport
Concord	Jaffrey/Peterborough	Northern Carroll County (Conway)
Derry	Keene	Plaistow
Dover	Laconia	Plymouth
Durham	Lancaster	Portsmouth

Exeter	Lebanon	Rochester
Franklin	Littleton	Salem
Goffstown	Manchester	Southern Carroll County (Ossipee)
Hampton	Merrimack	

## **Responsibilities**

The District Courts are primarily responsible for the following cases: traffic violations; violation-level criminal matters; juvenile delinquency and domestic violence (in non-Family Division locations); misdemeanors; preliminary hearings in felony cases; small claims (up to \$5,000); landlord/tenant cases; civil cases (under \$25,000). District Courts also issue search and arrest warrants.

**The District Courts collect revenue for Court-ordered fines, entry fees, default fees, and other miscellaneous Courts fees. The District Courts also collect receipts that are subsequently posted as revenues of the New Hampshire Departments of Safety, Fish and Game, Transportation, Resources and Economic Development, Justice, and the Police Standards and Training Council. Certain amounts collected by the District Courts are paid directly by the Courts to cities and towns in the District Courts' jurisdictions. In addition, District Courts collect and disburse funds for bail, restitution, attorney fees for Court-appointed counsel, special escrows, transcripts, overpayments, and civil judgments.**

### **Funding**

**The financial activity of the District Courts is accounted for and reported in the General and Agency Funds of the State of New Hampshire. A summary of the financial activity of the District Courts for the fiscal year ended June 30, 2008 is shown in the following schedule.**

The auditor's report on the District Courts' financial statements was qualified, as the governmental fund financial statement does not constitute a complete financial presentation of the District Courts in the governmental fund.

The audit report includes the auditor's report on internal control over financial reporting and on compliance and other matters. The following is a list of the comments in the report.

#### ***Internal Control Comments***

#### ***Significant Deficiencies***

- Strengthen Internal Control
- Improve Control Environment

- Establish A Risk Assessment Process
- Control Activities Should Be Reestablished
- Information Sharing And Communication Should Be Improved
  
- Monitoring Of Court Financial Activities Must Be Improved