

**REPORT ON
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF ACCOMACK, VIRGINIA
SAMUEL H. COOPER, JR.**

**FOR THE PERIOD
JULY 1, 2003 THROUGH SEPTEMBER 30, 2004**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

March 3, 2004

Samuel H. Cooper, Jr.
Clerk of the Circuit Court
County of Accomack

Board
County of Accomack

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Accomack for the period July 1, 2003 through September 30, 2004.

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.

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

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 a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable condition is discussed in the section titled "Internal Control and Compliance Findings and Auditor's Recommendations."

We do not believe this condition is a material weakness. A material weakness is a significant deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported.

We discussed these comments with the Clerk on March 3, 2005 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: The Honorable Glen A. Tyler, Chief Judge
Steven Minor, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

Properly Reconcile Financial Records

As noted in our previous audit, the Clerk does not properly reconcile the Court's bank statement to the automated accounting system. The Clerk has not yet resolved the more than \$3,000 difference noted in our previous audit. In addition, the Clerk does not properly reconcile the Court's investment trust funds. Specifically, we found an unresolved difference of \$14,454 between the bank statement and the system. This difference resulted from the bank statement showing one trust account as active, when the Court had actually disbursed the money. Had the Clerk properly reconciled the bank statement, he would have found the bank's error timely.

Reconciling the bank accounts monthly is a fundamental internal control. As shown in this instance, failing to properly reconcile and correct differences between the bank accounts, the Court's financial system and the checkbook could result in errors or irregularities going undetected. The Clerk should reconcile the Court's bank accounts monthly and promptly investigate and resolve any differences between the bank statement, checkbook and the automated system. The Clerk should immediately resolve the differences noted above to alleviate the compromise in the Court's fiscal accountability.

Hon. Glen A. Tyler
Judge

Samuel H. Cooper, Jr.
Clerk

Commonwealth of Virginia



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March 14, 2005

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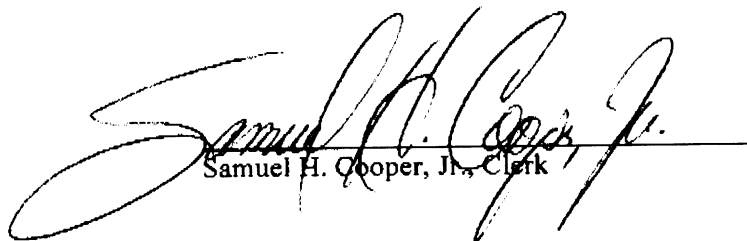
Re: Clerk's Response to Audit and Corrective Action Plan

The \$3,000.00 difference was actually resolved with an adjusting entry on 12/31/03. The entry consisted of moving funds from account 950 to 901. The conclusion of the auditor that the account remains unreconciled was based on the fact that there is insufficient documentation to justify the entry. In January 2005, Dave Odell of the Supreme Court and I worked on this project for a day and a half and concluded that the difference was the result of trust funds that were not transferred from 950 when the accounts were closed.

With the assistance of Martin Watts of the Supreme Court, it was determined that the unresolved difference in the trust fund accounts 817.37. I am attaching his suggested plan to resolve the difference. Additionally, when compared to the FMS balance, the bank balance is more for accounts A - K and accounts L - W have negative balances.

It has been suggested that we consider investing with another institution and we are currently speaking with other clerks in the Tidewater area.

I concur with the audit findings to the extent that the accounts need to be properly reconciled and corrective measure are now in place, but would note that there is no evidence of loss revenues or assests.


Samuel H. Cooper, Jr., Clerk

Enclosure