

**VICKIE S. HELMSTUTLER
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF HENRY**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2010 THROUGH MARCH 31, 2012**



COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Court Costs and Fines

The Clerk and her staff did not correctly bill court costs and fines. In eight of 20 cases tested, the auditor noted the following errors.

- In seven cases, the Clerk and her staff did not bill the locality for public defender fees totaling \$870. In one of those cases, the Clerk and her staff recorded the public defender fee to the wrong account.
- In the remaining case, the Clerk and her staff credited the locality with a \$1,000 fine on a Commonwealth conviction.

The Clerk corrected the specific cases noted above. The Clerk should review similar cases to correct any other items and implement a process to review all fines and costs before entering the information in the accounting system to help prevent these types of errors from reoccurring. Further, the Clerk should bill and collect court costs in accordance with the Code of Virginia.



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 21, 2012

The Honorable Vickie S. Helmstutler
Clerk of the Circuit Court
County of Henry

Jim Adams, Board Chairman
County of Henry

Audit Period: April 1, 2010 through March 31, 2012
Court System: County of Henry

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. 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.

Management's Responsibility

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. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:tmv

cc: The Honorable David V. Williams, Chief Judge
Benny Summerlin, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts



Circuit Court of Henry County

Vickie Helmstutler, Clerk
3160 Kings Mountain Road, Suite B
Martinsville, Virginia 24112
276-634-4880



June 2, 2012

Mr. Walter Kucharski
Auditor of Public Accounts
PO Box 1295
Richmond, VA 23219

Re: Audit Period April 1, 2010 through March 31, 2012

Dear Sir:

Please accept this as my response to your report regarding my audit.

Mrs. Bledsoe discussed these findings with my staff and me personally. Corrections were made to the specific cases as directed by Mrs. Bledsoe

We appreciate being made aware of these inconsistencies, as it is our desire to accurately assess and bill all accounts correctly. Henry County Circuit Court commences, on average, 1600+ criminal cases each calendar year, which are handled by my three deputy clerks in the criminal division.

For the benefit of the recipients of your report who may not understand the operations of my office, I have included some background information for their assistance, on the following page along with my corrective measures.

BACKGROUND RE: AUDIT PERIOD OF 4/1/10 – 3/31/12

Local Public Defender Fees

While I do not dispute your findings as to the locality public defender fees, I would like to convey some background information regarding local account 217 (court appointed attorney fees on local charges). Prior to 7/1/10, FMS printed a daily listing known as the BR217, which was a report of new court appointed local accounts. As Clerk, I provided the deputy clerk in the criminal division who is responsible for assessing fines, costs and restitution a copy of the FMS BR217. This report was our tool for ensuring we billed the locality.

On 7/1/10, pursuant to an FMS modification release, we were notified of several system modifications; one being that the "Local Court Appointed/Public Defender" section of the BU03 Report would no longer be provided in our daily FMS reports print batch. I had been providing copies of the release to all my deputies. My copy would show I pointed out the section on Local Court Appointed/Public Defender and directed it to the attention of my deputy responsible for assessment and submission to the locality. The report was replaced by the CR42 report, which is not printed automatically, as did the BR217 report, but only upon request.

Assessment of Fine

As to the remaining case, which Mrs. Bledsoe has confirmed it is the Oscar Ruiz-Garcia DUI conviction bearing case number CR10-532, I make the following explanation. Mr. Ruiz-Garcia was initially charged with First Offense DUI, citing a local ordinance and therefore was entered in the general district court as a local charge. When the case was heard in the general district court, the charge was upgraded to Third Offense DUI. Upon receipt of the case papers by my office, we entered the case in our CMS system, using the feature that brings over the data from the general district court. When Mrs. Bledsoe brought the assessment to our attention, it was evident from CMS that the general district court did not update the locality information from County of Henry to Commonwealth of Virginia, once the charge was upgraded to a felony. We treated the case in all respects as a Commonwealth of Virginia charge. However, when the FMS account was set up, the local account codes were displayed by the system. We relied on the information received from the lower courts and as you've been made aware from Mrs. Bledsoe, the corrections

were made and the Commonwealth did not lose any revenue, as the defendant has not paid his fines and costs.

CORRECTIVE MEASURES

I have implemented a policy directing that all local cases be marked as such by stamping on the outside of the case file "COUNTY OF HENRY". In addition, the same stamp will appear inside the file in the section where we assess fines and costs.

As we work up each new case file; for every local offense, we will continue to mark account codes 201 and 217 with a √, it being our intention to use this as an alert to credit these accounts as required.

I have instructed my deputy clerk that when processing the DC-40 and DC-52 Time Sheets, that she is to separate her work by Commonwealth and Locality.

We are seeking the assistance of the private bar and the public defenders to indicate on their time sheets whether they are seeking payment for a State or Local offense and to indicate the appropriate case number.

My criminal deputy, upon my direction, has marked her calendar to request the CR42/ Appointed/Public Defender Report. This report lists cases where a court appointed attorney or public defender has been assigned. The Supreme Court indicates this report is much more detailed and can be used to assist with billing the locality. This is an as needed report and is printed at our request. We will request the report based upon our court schedule, however, we will request at the very least on a monthly basis.

Per your directive, other available staff members in my criminal division, myself included, will review the assessment of fines and costs.

This office has always taken pride in our assessment of fines, costs and restitution. My deputy clerks understand how serious their duties are. The deputy that "dropped the ball" since the 7/1/10 change is unable to offer an explanation as to why she failed to implement the change. It is obvious to me she relied heavily on me providing her the former FMSBR217 and without that report as her prompt to bill the locality; she failed to

do so in some instances. She has received a verbal warning regarding these matters. She understands the seriousness of the situation and the policies put in place. As Clerk, I will monitor her progress and review local accounts 217 and 201.

These matters have been reviewed with all my deputy clerks in our criminal division and they have signed documentation acknowledging their understanding.

We appreciate the professionalism of Mrs. Bledsoe and the courtesies extended to our office.

Respectfully,

A handwritten signature in cursive script that reads "Vickie Helmstutler". The signature is fluid and written in dark ink.

Vickie Helmstutler, Clerk