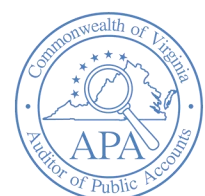




EDITH K. HOLMES
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CHARLES CITY

FOR THE PERIOD
JANUARY 1, 2014 THROUGH JUNE 30, 2015

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matters 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.

File Annual Trust Fund Report

The Clerk did not file an annual report of trust funds, held at June 30, 2014, with the Court. Section 8.01-600 of the Code of Virginia requires the Clerk to file an annual trust fund report with the Court no later than October 1 of each year and record the report in the court's trust fund order book.

The Clerk should immediately file the fiscal year 2014 trust fund report with the court and record the same in the court's trust fund order book. Additionally, the Clerk must file an annual trust fund report each year in accordance with Code of Virginia requirements.

Safeguard System Access (Repeat)

The Clerk did not take appropriate action to delete or downgrade system access when a change in staffing occurred. A former full-time employee currently working part-time with no management responsibilities maintains full access to the financial and case management systems. Allowing inappropriate access to the court's automated information system could compromise the integrity of the system and the data it contains. The Clerk is responsible for granting, changing, and terminating access to the court's automated information system; and should promptly revise an employee's access to the automated system when there is a change in job responsibilities that would warrant a decrease in system access.

Improve Accounts Receivable Management

The Clerk does not have established procedures for monitoring the "Accounts without Receivable Report," which identifies all concluded criminal cases with a disposition of guilty but for which there is no accounts receivable established. Not reviewing this report leaves open the possibility that defendants will not be billed for fines and costs owed, which would lead to a loss of revenue to the Commonwealth and the locality.

The Clerk should print and review this report on a monthly basis in order to maximize collections.

Request Tax Set-Off Refunds

The Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax set-off refunds for delinquent court costs and fines totaling \$273, resulting in a loss of revenue to the Commonwealth and Locality. A court must submit claims for set-off of tax refunds through TAX's automated accounting system, the Integrated Revenue Management System.

The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

–TABLE OF CONTENTS–

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK’S RESPONSE AND CORRECTIVE ACTION PLAN	3-4



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 29, 2015

The Honorable Edith K. Holmes
Clerk of the Circuit Court
County of Charles City

Gilbert Smith, Board Chairman
County of Charles City

Audit Period: January 1, 2014 through June 30, 2015
Court System: County of Charles City

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System 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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

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

Sincerely,

AUDITOR OF PUBLIC ACCOUNTS

MSM: alh

cc: The Honorable Michael E. McGinty, Chief Judge
Zach Trogon, 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

COMMONWEALTH OF VIRGINIA
COUNTY of CHARLES CITY



CIRCUIT COURT CHARLES CITY COUNTY

Edith K. Holmes, Clerk
Post Office Box 86
Charles City, Virginia 23030-0086

PHONE: (804) 652-2105
FAX: (804) 829-5647

October 26, 2015

Martha S. Mavredes
Auditor of Public Accounts
C/O – Tracy Vaughan
Capital Southside Team
Judicial Systems
12036 Rotunda Lane
Chester, Virginia 23836

In Re: Audit Report FY: 2014/2015

Dear Ms. Mavredes

In response to the above referenced report:

Safeguard System Access: As I responded to the draft sent by Tracy Vaughan, I feel as the Clerk I should decide what access the workers in this office should have. I know what needs to be done by each worker and what each one is capable of doing and as a small office we all are required to know how to do just about the same duties so I wouldn't give the access if I didn't think it was necessary.

Improve Accounts Receivable Management: We are going to print and review the CR-32 Report.

Request Tax Set-Off Refunds: I did request the Tax Set-Off Refunds, as I explained when the audit was done but there was one case that we had a problem with and when I spoke with the Department of Taxation I was told that particular case was being offered to me again so I "made sure" I certified it so we actually did not lose \$273.00. We got \$273.00 plus interest.

File Annual Trust Fund Report: I thought I had done that report but when auditor came I couldn't find it so I have contacted the Supreme Court to see If there is a way to request last year's report.

A handwritten signature in black ink, reading "Edith K. Holmes". The signature is written in a cursive style with a large initial "E".

Edith K. Holmes
Clerk