



GWYNNE J. CHATHAM
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF WESTMORELAND

FOR THE PERIOD
JULY 1, 2017 THROUGH JUNE 30, 2018

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(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.

Reimburse Commonwealth for Attorney Fees

Repeat: No

The Clerk did not reimburse the Commonwealth for court-appointed attorney costs of \$6,461 related to local charges. When a public defender or court appointed attorney represents a defendant charged with a local offense, the Clerk is required to bill the locality for reimbursement to the Commonwealth. In this case, the Clerk billed the locality but when the reimbursement was received, the Clerk miscoded it. This resulted in the reimbursement being sent back to the locality rather than being forwarded to the Commonwealth.

The Clerk should work with the locality to obtain reimbursement and remit the funds to the Commonwealth.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 5, 2018

The Honorable Gwynne J. Chatham
Clerk of the Circuit Court
County of Westmoreland

Darryl E. Fisher, Board Chairman
County of Westmoreland

Audit Period: July 1, 2017 through June 30, 2018
Court System: County of Westmoreland

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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 these comments with the Clerk and we acknowledge the cooperation extended to us by the Clerk and her staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:vks

cc: The Honorable Charles S. Sharp, Chief Judge
Norm Risavi, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

**Circuit Court of Westmoreland County
Gwynne J. Chatham, Clerk
P. O. Box 307
Montross, Va. 22520**

October 25, 2018

**Ms. Martha Mavredes
Auditor of Public Accounts
101 North 14th Street, 8th Floor
Richmond, Va. 23219**

Dear Ms. Mavredes:

Attached is my letter of response which I sent soon after receiving the finding. As it explains, the bookkeeping correction was made immediately, all involved (employees, County Administrator, County finance office, auditor) have been apprised of the change in procedures going forward and the Commonwealth has received all funds back from the County where they had been sent. They money was sent to the State on September 28, 2018.

I hope that you will agree that we have done everything thoroughly and expeditiously to make all corrections requested and that as a result, the Commonwealth has received all funds due them.

As expressed previously, we are always receptive to recommendations for improvement and appreciate the help and cooperation of your department.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwynne J. Chatham". The signature is fluid and cursive, with the first name "Gwynne" being more prominent.

Gwynne J. Chatham, Clerk

Enclosures

**Circuit Court of Westmoreland County
Gwynne J. Chatham, Clerk
P. O. Box 307
Montross, Va. 22520**

October 9, 2018

**Mrs. Tracy Vaughan, Senior Auditor
Auditor of Public Accounts
Commonwealth of Virginia
101 north 14th Street, 8th Floor
Richmond, Va. 23219**

Dear Ms. Vaughan:

I am in receipt of your Memorandum dated October 3, 2018 and my signed copy is attached to this letter.

As I have explained in our previous conversations:

- 1. I set up the current expensing and payment process now in question in 2012 as told to do so by our auditor.**
- 2. The process has been accepted without question during all 5 intervening audits (2013-2017) until reviewed by this 2018 audit.**
- 3. We continued to use the process in full belief that it was the correct process to be used.**

Now that you have determined that this process is in error and have explained to us how to correct the process, we have IMMEDIATELY:

- 1. Researched our records back to 2012 to document and determine how much money needed to be forward to the Commonwealth.**

- 2. Explained to our County Administrator that the funds had been sent back to the County and needed to immediately be sent to the Commonwealth for the reimbursement for what it had paid for defense attorneys for Westmoreland County and the Town of Colonial Beach cases.**
- 3. Obtained the reimbursement funds from the County, receipted them and immediately submitted them to the Commonwealth – all within less than a month.**

Now that we have corrected the financial situation, let me explain the further steps we have taken to make sure that we go forward smoothly and accurately from here:

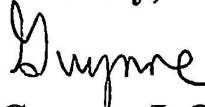
- 1. I have explained to both our County Administrator and our County Finance Director the changes we are making going forward.**
 - a. Our office will no longer send the List of Allowances to the Commonwealth for payment of defense attorneys for the County or the Town of Colonial Beach.**
 - b. Our office will send the List of Allowances for defense attorney fees for Westmoreland County and Town of Colonial Beach to the County which will pay the attorneys directly.**
 - c. We will send monthly payments directly to the County when the defendant makes payments in our office.**

Mrs. Vaughan, we appreciate so much your working with us to develop and institute these corrective procedures. Our office wants our practices to be accurate and smooth. We will always be open and receptive to input for improvement. We believe that we have complied with all suggestions and requirements. We want to be right and will work toward that end.

I have worked in this office for over 48 years and we have always strived to maintain consistently high standards. We hope that you and the other reviewers will agree that we have addressed all issues quickly and completely. Should you have any further recommendations, be assured that we will continue to work with you.

Once again, thank you so much for your help.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwynne".

Gwynne J. Chatham, Clerk