

May 23, 2002

The Honorable V. Earl Stanley, Jr.
Clerk of the Circuit Court
County of Brunswick

Board of Supervisors
County of Brunswick

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Brunswick for the period January 1, 2001 through December 31, 2001.

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.

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 weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Monitor Liabilities

The Clerk does not properly monitor and disburse court liabilities. The Clerk continues to improperly hold criminal and civil bonds and condemnation funds totaling \$14,233 up to ten years later. Court reports showed that \$7,000 of the above funds also appeared as property potentially eligible for escheatment to the Commonwealth. If the Clerk does not properly and promptly disburse such funds to the appropriate individuals upon final disposition, he may need to personally pay interest on such funds. Further, he should escheat the other funds to the state as unclaimed property.

Additionally, the Clerk does not properly monitor the court's automated liability reports. We noted four accounts listed on the report with credit balances up to six years old, two sum-uncertain accounts, and one account under review at least one year or older. These accounts will continue to appear on the report until the Clerk takes corrective action.

The Clerk should monitor and disburse liabilities on a continuous basis. When the Clerk cannot locate account owners, he should remit the funds to the state as unclaimed property in accordance with Section 55-210.12 of the Code of Virginia.

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Reconcile Clerk's Expenses

The Clerk does not reconcile his office and salary expenses to the State Compensation Board's reimbursement to verify the accuracy of the reimbursement. The Clerk could not explain an additional \$278 balance in his drawing account at April 30, 2002. After reconstructing expense transactions, we found that the Clerk received an improper reimbursement for retirement benefits on several occasions dating back to September 2000.

We have notified the Compensation Board and they will contact the Clerk to obtain their funds. The Clerk should ensure he has a thorough understanding of the reimbursement process. He should reconcile balances in expense accounts monthly to ensure he properly receives all payments and promptly identifies and resolves discrepancies.

We discussed these comments with the Clerk on May 23, 2002 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Robert G. O'Hara, Jr., Chief Judge
Gerald Vincent, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Director, Admin and Public Records
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