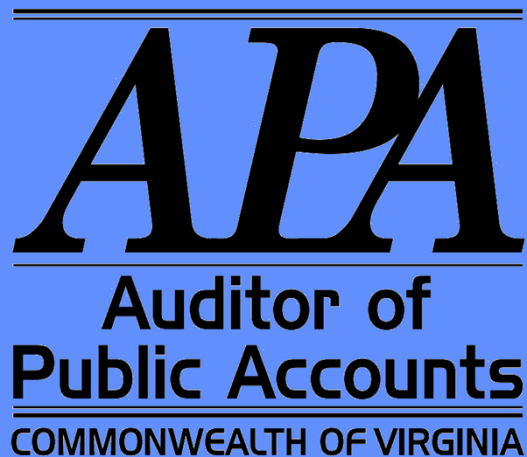


**FRANK D. HARGROVE  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF HANOVER**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2009 THROUGH DECEMBER 31, 2010**



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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

May 17, 2011

The Honorable Frank D. Hargrove, Jr.  
Clerk of the Circuit Court  
County of Hanover

Board of Supervisors  
County of Hanover

Audit Period: July 1, 2009 through December 31, 2010  
Court System: County of Hanover

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:alh

cc: The Honorable Gordon F. Willis, Chief Judge  
Cecil R. Harris, Jr., 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

## 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 Record Court-Appointed Attorney Fees

The Clerk is not properly billing and recording court-appointed attorney fees involving local charges, resulting in a potential loss of revenue to the Commonwealth. These errors began in April 2010 when the court was transitioning from a manual environment to an electronic, paperless environment. Auditor tested 15 cases and noted the following errors in six of these cases.

- In five of six cases tested, the Clerk incorrectly billed the Commonwealth instead of the locality for all court-appointed attorney fees resulting from the defense of local charges. These errors resulted in a potential loss of revenue to the Commonwealth totaling \$752.
- In four of six cases tested, the Clerk incorrectly recorded court-appointed attorney fees to the state instead of the locality.
- In one of six cases tested, the Clerk incorrectly recorded court-appointed fees for \$120 instead of the approved amount of \$90 which resulted in an over charge to the defendant and inappropriate billing to the locality of \$30.

The Clerk has researched and corrected all similar cases, recovered funds from the locality, and immediately implemented procedures to ensure the proper billing and recording of court-appointed attorney fees as required by Section 19.2-163 of the Code of Virginia.

Frank D. Hargrove, Jr.  
Clerk

## Hanover Circuit Court

Clerk's Office  
P.O. Box 39  
Hanover, Virginia 23069

Telephone  
(804) 365-6151  
365-6000

May 5, 2011

Mr. Walter J. Kucharski  
Auditor of Public Accounts  
Post Office Box 1295  
Richmond, Virginia 23218-1295

Re: Response and Corrective Action Plan

Dear Mr. Kucharski:

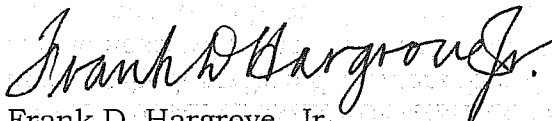
This is the response of the Hanover County Circuit Court Clerk's Office to the recently concluded audit for the period July 1, 2009 through December 31, 2011. It includes our plan to remediate the internal control issue, identified during the audit, that in certain instances the Clerk's Office failed to properly bill for court appointed attorney's fees involving local charges.

The COMMENTS TO MANAGEMENT section of your letter dated May 2, 2011, accurately describes the errors found and the environment in which they were made. It also acknowledges that at the conclusion of the audit the Circuit Court Clerk's Office immediately followed the recommendation of field auditor, Tracy Vaughan, and researched and corrected all similar cases. As a result of this work, I am confident the Commonwealth will not lose revenue as a result of the mistakes that were made.

To avoid mistakes in the future, the Team Leader in the Judicial Support Criminal Division now checks every DC40 form to make sure it is properly billed and assessed against the defendant. We are also using the CCBRCR42 report to check the accuracy of our billing. This issue has been discussed with the members of the Criminal Division, who understand the importance of 100% accuracy in billing and assessing court appointed attorney's fees. Finally, the Chief Deputy Clerk spot checks for mistakes. These efforts should prevent errors going forward.

Our goal is to adhere to state law and maintain fiscal accountability. Regular audits of this office are an important tool to help us achieve that goal.

Sincerely yours,



Frank D. Hargrove, Jr.  
Clerk of Circuit Court