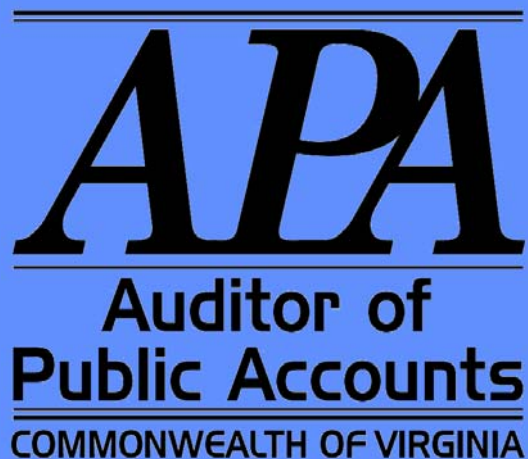


**CLERK OF THE CIRCUIT COURT  
of the  
COUNTY OF NORTHUMBERLAND  
LINDA L. BOOTH**

**REPORT ON AUDIT  
FOR THE PERIOD  
JANUARY 1, 2007 THROUGH JUNE 30, 2008**





# Commonwealth of Virginia

**Auditor of Public Accounts**

**P.O. Box 1295**

**Richmond, Virginia 23218**

**Walter J. Kucharski, Auditor**

August 11, 2008

The Honorable Linda Booth  
Clerk of the Circuit Court  
County of Northumberland

Board of Supervisors  
County of Northumberland

Audit Period: January 1, 2007 to June 30, 2008  
Court System: County of Northumberland

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.

## Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

## Internal Controls

However, we noted matters involving internal control and its operation necessary to bring to management's attention.

## Compliance

Additionally, the results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues 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.

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: The Honorable J. Martin Bass, Chief Judge  
Kenneth D. Eades, 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

### Internal Controls

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

#### Properly Manage and Record Invested Trust Funds

The Clerk failed to properly invest, record, update and report the invested Trust Funds entrusted to her pursuant to Section 8.01-600 of the Code of Virginia. Specifically, we noted the following.

- Failed to invest funds for a period of 19 months resulting in a potential personal liability of \$1,821 for lost interest.
- Failed to properly record the disbursements of funds in the automated system resulting in an approximate overstatement of assets by \$49,000.
- Failed to properly post interest to the accounts.
- Failed to reconcile the balances to the bank accounts and the accounting system.
- Failed prepare an Annual report of funds held.

The Clerk should immediately reconcile the account balances between the automated financial system and the bank, prepare and submit the Annual Report for the Chief Judge and obtain training from the Office of the Executive Secretary to ensure all invested funds entrusted to her are properly recorded and managed.

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

#### Participate in the Tax Set-Off Program

Neither the Clerk nor any Court staff has received certification to participate in the Tax Set-Off program for the collections of delinquent court costs as required by Section 58.1-524 of the Code of Virginia. The Department of Taxation's Integrated Revenue Management System facilitates the collection of state tax refunds for these delinquent costs. The Clerk's failure to participate in the program results in revenue losses to the Commonwealth and the locality.

The Clerk should obtain certification immediately for herself and another staff member. Participation in the Tax Set-Off program greatly enhances the Clerk's ability to collect all possible monies due to the Court.

#### Remit Collections to the State Treasurer Timely

The Clerk did not remit state collections in accordance with the requirements of the State Treasurer and Section 2.2-806B of the Code of Virginia. We note the Clerk made only 74 remittances in a 15 month period, however proper remittance procedures would have resulted in approximately 125 remittances for the period. Failure to remit in a timely manner denies the Commonwealth access to these necessary funds and results in lost revenues.

The Clerk should immediately implement procedures to ensure compliance with the at least twice weekly remittance requirements.

CLERK'S OFFICE OF THE  
CIRCUIT COURT OF NORTHUMBERLAND COUNTY, VA.  
FIFTEENTH JUDICIAL CIRCUIT  
P. O. BOX 217  
HEATHSVILLE, VIRGINIA 22473

TERMS OF COURT

Fourth Tuesday in January, April, July, October

LINDA L. BOOTH, CLERK

August 19, 2008

Kathleen M. Kimmel, CPA, CGFM  
Director, Judicial Systems (Auditor of Public Accounts)  
101 N. 14th Street, 8th Floor  
Monroe Building  
Richmond, VA 23219

Dear Ms. Kimmel:

In addressing COMPLIANCE to audit of this Office in July, 2008; the first matter involving internal control was the proper investment and updating of invested funds. The \$60,961.94 I receipted Jan. 8, 2007 and failed to invest in a Certificate of Deposit was set up properly on July 10, 2008 with the lost interest of \$1,821.00 (calculated by the Bank) paid from my personal checking account.

Dave O'Dell, Court Analyst from DJS, Supreme Court of VA worked with me yesterday (August 18, 2008) in the overstatement of assets and failure to reconcile balances in reference to these funds.


It was noted that I did not remit state collections as often as required by law to the Treasurer of VA from my court; J&D Court and Gen. Dist. Ct. I have now adopted a remittance policy of 2 times weekly which should result in a more timely manner and bring this problem into compliance.

A staff member and myself have submitted registration to the IRMS Tax Training Web site to participate in the Tax Set-Off program.

I would like to add that Katherine St. Lawrence/Senior Specialist from the Office of Public Accounts was most helpful while working with me, she tried very hard to explain things I did not understand.

Ms. Kimmel, if the above is not a sufficient explanation of my efforts to comply, please let me know.

Thanking you in advance:

  
Linda L. Booth  
Clerk, Circuit Court

AUG 26 '08 AM 11:30