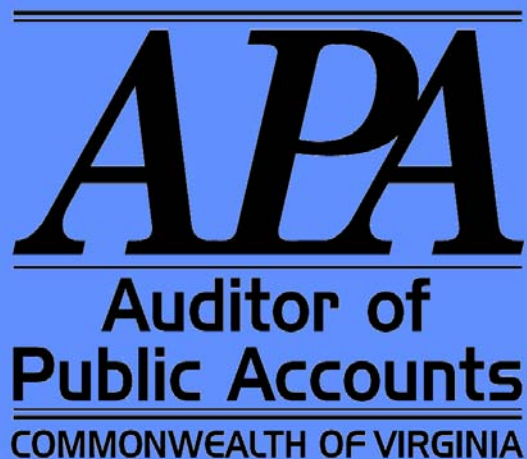


**THE HONORABLE BENJAMIN O. SCOTT
CLERK OF THE CIRCUIT COURT
of the
CITY OF PETERSBURG**

**REPORT ON AUDIT
FOR THE PERIOD
OCTOBER 1, 2007 THROUGH DECEMBER 31, 2008**



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

April 13, 2009

The Honorable Benjamin O. Scott
Clerk of the Circuit Court
City of Petersburg

City Council
City of Petersburg

Audit Period: October 1, 2007 through December 31, 2008
Court System: City of Petersburg

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

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

Compliance

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:alh

cc: The Honorable Thomas V. Warren, Chief Judge
B. David Canada, City Manager
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 matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Monitor and Disburse Liabilities

The Clerk does not disburse liability accounts as required by Section 55-210.12 of the Code of Virginia. Auditors confirmed the Clerk was holding criminal and civil bonds, escrow accounts, restitution, refunds and law deposits totaling \$54,161 due for disbursement to the appropriate party or escheatment to the Commonwealth as unclaimed property.

The Clerk should immediately review the approximate \$234,000 in liability accounts; and determine the status of each account; and were appropriate disburse these funds to the appropriate party. Additionally, the Clerk should maintain correspondence with Judges, Attorneys, plaintiffs and defendants to assist in timely resolution of these cases; and should properly document this correspondence in each case file. For any monies held by the Clerk for a year or longer and identified as unclaimed property, the Clerk should remit these monies to the Commonwealth as required by the Code of Virginia.

PETERSBURG CIRCUIT COURT CLERK'S OFFICE
7 COURTHOUSE AVENUE
PETERSBURG, VIRGINIA 23803
804/733-2367

RESPONSE TO MANAGEMENT COMMENTS:

Properly Monitor and Disburse Liabilities:

The Clerk has implemented a review process that includes the Judges, Attorneys, and where appropriate, defendants and plaintiffs. Documentation of this process will be included as a part of the case files. Any funds held by the Clerk, for a year or longer, will be identified as unclaimed property and remitted to the Commonwealth of Virginia's Treasury Department.

Benjamin O. Scott, Sr., CPA
Benjamin O. Scott, Sr., CPA
Clerk of the Petersburg Circuit Court
Signed and submitted April 3, 2009