



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

March 24, 2004

The Honorable Vickie S. Helmstutler
Clerk of the Circuit Court
County of Henry

Board of Supervisors
County of Henry

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Henry for the period January 1, 2003 through December 31, 2003.

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, and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Send All Clerks' Fees to the State

The Clerk transferred \$4,527 in copy fees to the locality. All fees and commission income generated in the clerk's office, except fees received for performance of services unrelated to office, are subject to the reporting and distribution requirements of the Code of Virginia, Sections 17.1-283 (A) and 17.1-285 (A) respectively. Further, in December 1998 the Attorney General determined that clerks have no authority to submit fee and commission revenue generated to their local governments. The Clerk must recover the overpaid funds from the locality and immediately submit them to the Commonwealth. Failure to do so would result in the Clerk being personally liable for any improper transfers to the locality.

We also recommend that the Clerk establish on her accounting system an accounts receivable for this money due from the County as well as a liability for the amount due the Commonwealth. Lastly, we recommend that she file an amended fee report for the amount due the Commonwealth with the State Compensation Board.

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We discussed these comments with the Clerk on March 1, 2004 and acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable David V. Williams, Chief Judge
Benny Summerlin, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
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