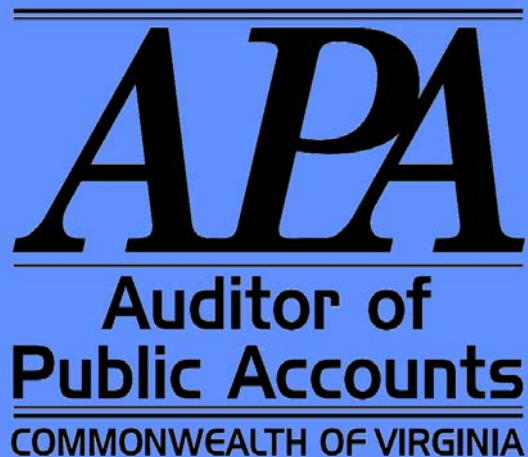


**CLERK OF THE CIRCUIT COURT OF  
THE COUNTY OF SMYTH**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2005 THROUGH DECEMBER 31, 2006**



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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

August 15, 2007

The Honorable Jimmy L. Warren  
Clerk of the Circuit Court  
County of Smyth

Board of Supervisors  
County of Smyth

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Smyth for the period July 1, 2005 through December 31, 2006.

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.

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.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

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 a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the

loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable condition is discussed in the section titled “Internal Control and Compliance Findings and Auditor’s Recommendations.”

We discussed these comments with the Clerk on and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

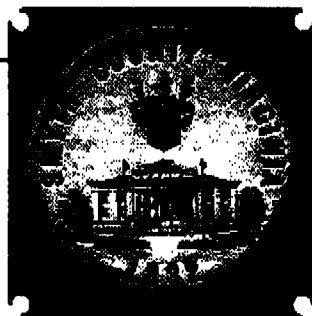
cc: The Honorable C. Randall Lowe, Chief Judge  
Edwin B. J. Whitmore, III, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

## INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following finding is reportable internal control matters that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk's response and written corrective action plan to remediate these findings are included as an enclosure to this report.

### Properly Assess and Record Criminal Fees

As noted in our previous audit, the Clerk and his staff continue to improperly assess fees and costs in accordance with the Code of Virginia. In 32 of seventy cases tested, we noted assessment errors totaling \$9,675. The Clerk should continue to take action to train staff in the proper assessment of court costs and fees by using the Supreme Court's current fee schedule and when practical, attending periodic regional training meetings. The Clerk should assess and collect all court costs and fees in accordance with the Code of Virginia.



**Clerk's Office**  
**Circuit Court of Smyth County**

Betty Baldwin  
Sheila Blevins  
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Jimmy L. Warren  
Clerk

August 14, 2007

*Commonwealth of Virginia  
Auditor of Public Accounts  
James Monroe Building  
101 North 14<sup>th</sup> Street  
Richmond, Virginia 23219*

*Attention: Ms. Marsha Tedesco, Audit Director*

*FAX: 804-225-3357*

*Dear Ms. Tedesco:*

*I am pleased to have the opportunity to respond to the Draft Copy of the Audit Report for this office covering the period of July 1, 2005 through December 31, 2006.*

*I wish to acknowledge the fact that Ms. Louise Edmiston who conducted the audit was very professional in every phase of her audit. I regret with a great sense of disappointment that all of her findings were correct as stated. However, I am pleased to note that two problems reported in the previous audit were corrected and all of our present problems pertain to criminal fines and costs.*

*After the previous audit I implemented a procedure, which I believed would correct all mistakes and omissions. We know now that action was inadequate.*

*One of the deputy clerks working in the criminal section resigned effective July 13, 2007. A person who has been employed in this office for nearly ten years in other areas of responsibilities has replaced her. During her learning period I have also employed a temporary person to assist with filing, paper work, etc.*

*Commonwealth of Virginia  
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*We also have a staffing deficit of 1-1/4 full time equivalent employees.*

*In response to the findings of this recent audit I wish to advise you of corrective measures that have been implemented as follows:*

- 1. Upon conclusion of the audit, I immediately placed an order with the Office of the Executive Secretary of the Supreme Court for an additional PC and printer which were installed in a remote area on the second floor of the records archives as a work station for the staff to seclude themselves when preparing court orders, assessing fines and costs and entering same on the judgment lien docket.*
- 2. February 7, 2007, I designated one person primarily responsible for docketing criminal fines and costs with two backups in case one or the other was absent.*
- 3. A red checklist itemizing every cost that could possibly be applicable to a criminal case is placed in each case file with orders to use this checklist every time a case is processed.*

*Each month when the report is received showing cases concluded the previous month, an audit is performed by one of the two people responsible for criminal orders, costs, etc. This audit is performed entirely by one person and the results are reported to me in writing. I am also having the second person make an independent audit to ascertain the accuracy of the first audit. I am personally performing a random review of completed criminal files in an effort to see that we are accomplishing our duties accurately.*

*I am doing everything possible within the limitation of man-hours we have available to comply with the Code of Virginia and to minimize errors.*

*I take pride in the fact that for many years prior to the last three audits, in my opinion, we operated a model office with no major audit deficiencies. I therefore will do everything I can to return to that status.*

*I am looking forward to the next audit in anticipation of redeeming our record.*

*Respectfully submitted,*

  
Jimmy L. Warren

JLW:dms