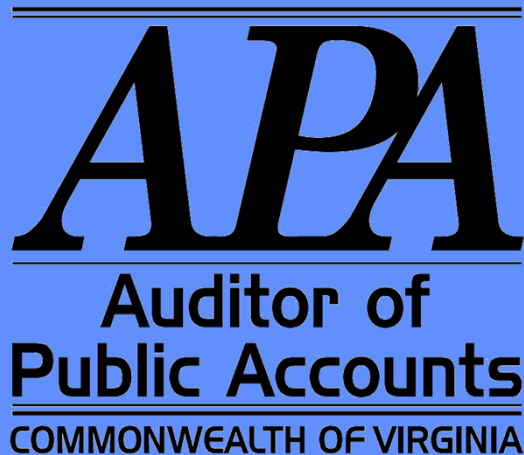


**TERESA J. BROWN
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF FRANKLIN**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2010 THROUGH MARCH 31, 2011**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

May 9, 2011

The Honorable Teresa J. Brown
Clerk of the Circuit Court
County of Franklin

Board of Supervisors
County of Franklin

Audit Period: January 1, 2010 through March 31, 2011
Court System: County of Franklin

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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters 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 Joseph W. Milam, Jr., Chief Judge
Richard E. Huff, II, 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 matters 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.

Monitor and Disburse Liability Accounts

The Clerk is holding \$6,689 in escrow for a case that ended in September 2010. Liability accounts record amounts the Clerk is holding to disburse to individuals, other agencies or to pay fines and costs. The Clerk should monitor and disburse liabilities on a monthly basis as recommended by the Financial Management User's Guide.

Properly Distribute Copy Fees

In three of 15 disbursements tested, the Clerk incorrectly distributed the copy fees and overpaid the county \$5,187. The Clerk should remit the fees to the Commonwealth from either her personal funds or a requested refund from the locality. Further, in the future the Clerk should properly distribute copy fees in accordance with the Code of Virginia.

Properly Bill Court Costs

In 11 of 35 cases tested, the Clerk and her staff did not properly bill and collect court costs. The auditor noted the following errors.

- In seven cases with the same defendant, the Clerk did not bill the defendant for the fixed felony fees totaling \$500.
- In one local case, the Clerk did not properly bill the locality for the court-appointed attorney fees, but billed the Commonwealth incorrectly, which paid \$158. The Clerk should recover the funds from the locality and pay the Commonwealth. Further, the Clerk miscoded the court-appointed attorney fees of \$278 as state court-appointed attorney fees instead of local court-appointed attorney fees.
- In one case, the Clerk did not bill the defendant for the DNA fee totaling \$25.
- In two cases with the same defendant, the Clerk miscoded the Internet Crimes against Children fee as Commonwealth Attorney fees totaling \$20.

The Clerk should consider asking the Office of the Executive Secretary of the Supreme Court of Virginia to provide training for her staff on billing and collecting criminal related court costs. After receiving the training, the Clerk should have her staff review all similar court cases and make any necessary corrections to the case papers. The Clerk and her staff should bill and collect court costs accordance with the Code of Virginia.



FRANKLIN COUNTY
OFFICE OF
CLERK OF THE CIRCUIT COURT
P.O. BOX 567
ROCKY MOUNT, VIRGINIA 24151
TELEPHONE (540) 483-3065
FAX (540) 483-3042



TERESA J. BROWN, CLERK

WILLIAM N. ALEXANDER, II, JUDGE

June 3, 2011

Walter J. Kucharski
Auditor of Public Accounts
P. O. Box 1295
Richmond, VA 23218-1295

Dear Mr. Kucharski:

In response to the audit report for the Circuit Court of Franklin County, I have addressed the following matters accordingly.

Monitor & Disburse Liability Accounts: On May 4, 2011, I contacted the attorney and requested that an order be submitted to disburse the funds deposited with the Clerk. As of today, no order has been received and Judge William N. Alexander, II contacted the attorney and advised her that a Show Cause Order would be issued if an order was not received by June 6, 2011.

(See attachment 1)

Properly Distribute Copy Fees: On May 20, 2011, a check was written by the County of Franklin in the amount of \$5,187.88 and allocated to Account 313: fees –copies. In the future, the journal voucher that is entered to transfer these funds will be double checked.

(See attachment 2)

Properly Bill Court Costs: Orders of Correction were immediately prepared and the proper court costs were assessed. I have instructed the deputy clerks to be more attentive and I will continue sending them to educational meetings. I also will personally instruct my deputy clerks on how to assess court costs.

(See attachment 3)

This office will continue to strive to monitor and disburse liabilities as recommended by the Financial Management User's Guide and collect and bill court costs in accordance with the Code of Virginia.

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I appreciate your suggestion of asking the Office of the Executive Secretary of the Supreme Court of Virginia to provide training for my staff. I will arrange that with the Supreme Court of Virginia as soon as possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Teresa J. Brown". The signature is written in black ink and is positioned above the printed name.

Teresa J. Brown, Clerk

Attachments enclosed