

July 19, 2002

The Honorable Stuart B. Fallen
Clerk of the Circuit Court
County of Charlotte

Board of Supervisors
County of Charlotte

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Charlotte for the period April 1, 2001 through March 31, 2002.

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.

Reimburse Machine Recording Fund

The Clerk has improperly used the machine recording fees by disbursing the funds to the County for the installation of Internet access throughout the new clerk's office. Section 17.1-275.11(c) of the Code of Virginia allows courts that use electronic devices for recording testimony to assess a special machine-recording fee. The statute limits the fees use to repairing, replacing, or supplementing such electronic devices, or if a sufficient amount is available, to purchase such devices in whole or in part.

The Clerk should personally reimburse the machine recording fund \$8,859.17 for the improper disbursing of the funds unless the Clerk can get the County to reimburse for the equipment in accordance with Section 15.2-1656 of the Code of Virginia. After making the fund whole, the clerk should send all machine-recording fees to the Commonwealth.

We discussed these comments with the Clerk on July 19, 2002 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable William L. Wellons, Chief Judge
 R.B. Clark, County Administrator
 Bruce Haynes, Executive Secretary
 Compensation Board
 Don Lucido, Director of Technical Assistance
 Supreme Court of Virginia
 Martin Watts, Court Analyst
 Supreme Court of Virginia
 Paul Delosh, Technical Assistance
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TO: Stuart B. Fallen , Clerk of the Circuit Court

Clerk Fax Number – 434-542-4336 **Clerk Phone Number** - 434-542-5147

FROM: Carol MacVaugh, Court Audit Supervisor

DATE: Tuesday, August 13, 2002 **TIME:** 7:48 AM

Number of pages including cover page:

CONFIDENTIAL FOR: Stuart B. Fallen , Clerk

MESSAGE: Enclosed is a **DRAFT COPY** of our audit report. We previously discussed these findings with you during the audit. We are providing this draft copy to afford you an additional opportunity to comment before we finalize the report.

It is important that you call me at (804)-225-3350 x335 on or before Thursday, August 15th, if you have questions or comments regarding the findings in this report. Otherwise, the report will be issued as shown.