

**CAROLYN H. HONEYCUTT
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CARROLL**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2009 THROUGH DECEMBER 31, 2010**



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

March 1, 2011

The Honorable Carolyn H. Honeycutt
Clerk of the Circuit Court
County of Carroll

Board of Supervisors
County of Carroll

Audit Period: July 1, 2009 through December 31, 2010
Court System: County of Carroll

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 Colin R. Gibb, Chief Judge
Gary Larrowe, 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.

Properly Manage Trust Funds

The Clerk did not send five trust fund accounts totaling \$39,186 to the Division of Unclaimed Property. Additionally, the bookkeeper delayed recording up to seven months, two trust fund disbursements totaling \$20,796 in the court's automated accounting system. We recommend the Clerk and her staff perform due diligence and remit the funds to the appropriate fund as required by the Code of Virginia. Further, we recommend the Clerk record disbursements daily to help ensure the court's automated system accurately reflects the balances in the bank.

Properly Manage Copy Fees

The Clerk paid two non-copier related expenses totaling \$1375 from copy fees instead of sending the bills to the locality for payment. Additionally, the Clerk did not remit excess copy fees totaling \$385 to the Commonwealth. 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.

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Carolyn H. Honeycutt
CLERK

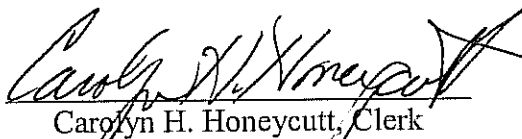
CORRECTIVE ACTION PLAN

PROPERLY MANAGE TRUST FUNDS

1. The Clerk will send funds in accounts to unclaimed property in accordance with the Code of Virginia. The Clerk is preparing Orders to release the said funds to the Division of Unclaimed Property.
2. The Clerk discussed the bookkeeper's over site regarding the two delayed trust fund disbursements. The Clerk reviewed management of accounts and office procedures with the bookkeeper. The Clerk will follow-up by verifying journal vouchers for all disbursements in the future.

PROPERLY MANAGE COPY FEES

1. The Clerk has processed billing to the locality to reimburse acct. code 421, copy fees. Please see the attached bill to the locality. Also, please see the letter dated February 5, 2004 to the Chairman of the Board of Supervisors asking to expand the use of the acct. code 421 beyond copy expenses to include general office expenses. The request was granted to the Clerk.
2. The Clerk will remit \$385.00 to the Commonwealth in excess copy fees. The Clerk will remit all excess copy fees in the future to the Commonwealth in accordance with the Code of Virginia.


Carolyn H. Honeycutt, Clerk

March 30, 2011