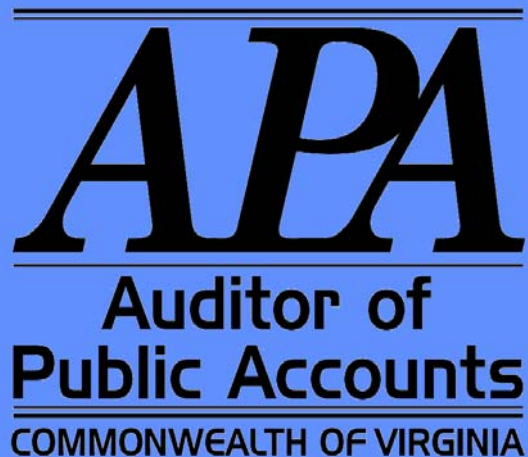


CLERK OF THE CIRCUIT COURT
of the
CITY OF WILLIAMSBURG
and
COUNTY OF JAMES CITY
BETSY B. WOOLRIDGE

REPORT ON AUDIT
FOR THE PERIOD
OCTOBER 1, 2006 THROUGH MARCH 31, 2008





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

August 27, 2008

The Honorable Betsy B. Woolridge
Clerk of the Circuit Court
City of Williamsburg-James City County

Board
City of Williamsburg-James City County

Audit Period: October 1, 2006 to March 31, 2008
Court System: City of Williamsburg-James City County

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.

Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Internal Controls

We noted no matters involving internal control and its operation necessary to bring to management's attention.

Compliance

However, the results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues provided by the Clerk are included as an enclosure to this report. Auditors reviewed the Clerk's re-calculated amount in question with Compensation Board staff and concur with the amount submitted in the response. We have also included the January 2007 document referenced by the Clerk for reader clarification.

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:kmk

cc: The Honorable Samuel T. Powell, III, Chief Judge
Sanford Warner, 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

Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

Properly Remit Excess Copy Revenues

The Clerk did not properly calculate and remit excess copy fees to the Commonwealth as directed by Section 17.1-275A(8) of the Code of Virginia. As outlined in Section 15.2-1656 of the Code of Virginia, the locality is responsible for the purchase and maintenance of the copy equipment located in the Clerk's office. The locality is entitled to monthly reimbursement from excess copy fees of the exact expenses incurred and the Clerk is responsible for calculating this reimbursement amount. Per Section 17.1-275A(8), the remainder of excess copy fees is to be remitted to the Commonwealth.

Our audit revealed that between October 2006 and March 2008 the Clerk over remitted excess copy fees to the locality resulting in a loss to the Commonwealth of \$ 48,624.43.

The Clerk should make immediate arrangements to recoup these funds from the locality for immediate reimbursement to the State Treasurer and record this amount as a receivable of the Commonwealth until she recovers and remits the funds. For all periods subsequent to the audit, the Clerk should take steps to ensure all future collections are properly remitted to the Commonwealth.

OFFICE OF CLERK OF CIRCUIT COURT

City of Williamsburg and County of James City
5201 Monticello Avenue, Suite 6
Williamsburg, Virginia 23188

(757) 564-2242 – Fax (757) 564-2329

Betsy Woolridge, Clerk

August 7, 2008

Kathleen M. Kimmel
Auditor of Public Accounts
101 N. 14th Street, 8th Floor
Monroe Building
Richmond, Virginia 23219

Re: Audit Period October 1, 2006 – March 31, 2008

Dear Mrs. Kimmel:

This will acknowledge receipt today of your letter dated July 31, 2008. As we discussed in my office on July 28, 2008 I believed that I was following the written instructions from your office received January 4, 2007. That letter stated that “no further monthly calculations would be required” even though I had been doing them for several years. I did not realize that the monthly calculations were not need “if” other steps were followed.

Having addressed that issue, as we discussed I would review your worksheet and the monthly worksheets provided by the Compensation Board to determine if the amount of \$48,624.43 was correct. After re-working all of the worksheets, the Commonwealth of Virginia is only due one-third of that amount (or slightly more) \$16,237.06. I have attached copies of all the worksheets to verify this amount.

As we further discussed, no funds would be transferred to my locality from the copy fees until these funds have been reimbursed. Again, the State is only entitled to a one-third share, as that is what they would have received if I had continued to do the worksheets as I had done for years.

If you have further questions, please advise.

Sincerely,


Betsy B. Woolridge

cc: The Honorable Samuel T. Powell, III
Sanford Warner
James City County Board of Supervisors
Robyn M.de Socio
Paul DeLosh
G. Paul Nardo

AUG 8 '08 PM 1:06

Memo

To: The Honorable Betsy Woolridge, Clerk of the Williamsburg/JCC Circuit Court
From: Katherine St. Lawrence, Delores Chamberlain, Judicial Systems Audit Senior Specialist
Date: January 4, 2007
Re: Exit Memo

We have completed our audit of the Williamsburg James City County Circuit Court for the audit period through October 1, 2005 through September 31, 2006. We performed a comprehensive audit and would like to bring some issues to your attention. These items are listed below. Although these items will not be included in the audit report this year, a follow-up will be performed in subsequent audits and may result in a management point if adequate corrective action has not been taken.

As we have discussed, further clarification and classification of your invested funds would prove to be a benefit to your record keeping and required reporting. Currently your annual report itemizes several accounts that are truly not funds being held pursuant to Code of Virginia 8.01-600. We suggest you review your Trust Funds currently being held in account 511 to determine which accounts should be reclassified as Chancery or Law deposits. Despite the fact that these funds are all invested in the same bank account, a separation of these accounts in the FMS system will provide a more detailed audit trail and ensure the Annual Report lists only the appropriate accounts.

With regards to copy fees and the reimbursement of the locality for these related expenses; we determined you over-remitted to the locality as a result of directions from the Supreme Court regarding the receipting of pre-payments. As we discussed, you are currently thinking of changing your policy such that all copy fees would be remitted to the state. If you decide to change policy, no further monthly calculations would be required. If you continue with the policy in place, you must include all receipts to account 236 when calculating the proper amount to remit to the locality. The amount of your over-remittance is minimal and no reimbursement is necessary at this time.

Our audit noted one exception during testing of wills, which we have discussed and we understand a resolution is in process. Other exceptions noted were minimal in nature. We noted several instances in which a bad check had been carried as a reconciling item for an extended period. We strongly recommend bad checks are addressed in the system immediately upon bank notification rather than waiting for resolution.

We would like to extend our thanks and appreciation to you and your staff for the courtesy shown us during this audit. If we can be of any service to you in the future, please feel free to contact us or the Judicial Systems Audit Director, Marsha Tedesco at (804) 225-3350.

Acknowledged By: Betsy J. Woolridge Date: 1-4-07