

**THE CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF RADFORD**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2006 THROUGH SEPTEMBER 30, 2007**

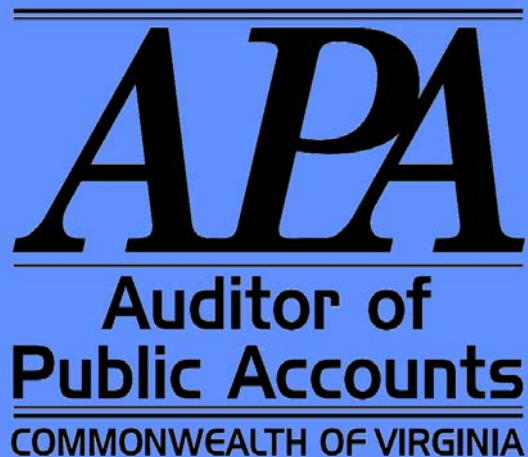


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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

February 20, 2008

The Honorable Zelda S. Vaughn
Clerk of the Circuit Court
City of Radford

City Council
City of Radford

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Radford for the period April 1, 2006 through September 30, 2007.

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."

The Honorable Zelda S. Vaughn, Clerk of the Circuit Court
City Council
February 20, 2008
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We do not believe this condition is a material weakness. A material weakness is a significant 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 and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported.

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:clj

cc: The Honorable Josiah T. Showalter Jr., Chief Judge
Anthony Cox, City Manager
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

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are 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.

Control Access to Court's Automated Information Systems

The Clerk's staff shares passwords to the Court's automated accounting and case management systems. When using an automated system, it is critical that each user have a unique password and user ID. Unique passwords help provide accountability and integrity over the information that is maintained in the automated system.

The Clerk should immediately ask the Supreme Court of Virginia to change all passwords and establish new ones for every Court staff member. Further, the Clerk should instruct her staff to never share individual passwords.

CIRCUIT COURT CITY OF RADFORD 619 SECOND STREET, RADFORD, VA 24141

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**OFFICE OF:
ZELDA S. VAUGHN
CLERK**

February 20, 2008

**DEPUTIES
ANN H. HOWARD
ANGEL H. TURPIN
MELISSA WHITE**

Kathleen M. Kimmel, CPA CGFM
Director, Judicial Systems
Auditor of Public Accounts
101 N. 14th Street, 8th Floor
Richmond, VA 23219

RESPONSE AND WRITTEN CORRECTIVE ACTION PLAN OF STEPS TAKEN TO RECTIFY AUDIT FINDINGS

The User Access Code for Angela H. Turpin was changed on January 10, 2008.

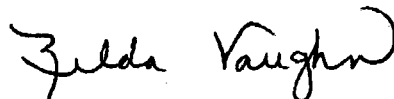
The Supreme Court of Virginia has changed the passwords and established new ones for Court staff.

All staff have been instructed to never share their individual passwords with each other.

Angela H. Turpin has been given authority to enter journal vouchers for deposits when the Clerk or Chief Deputy Clerk are out of the office which necessitated the sharing of passwords in the first place during my illness.

No revenues or assets have been lost because of this situation.

Respectfully submitted,



Zelda S. Vaughn, Clerk
Radford City Circuit Court

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