

**EDITH K. HOLMES
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CHARLES CITY**

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



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Walter J. Kucharski
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 2, 2012

The Honorable Edith K. Holmes
Clerk of the Circuit Court
County of Charles City

Gilbert Smith, Board Chairman
County of Charles City

Audit Period: January 1, 2011 through December 31, 2011
Court System: County of Charles City

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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior year that are not repeated in this letter.

We discussed this comment 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 R. Bruce Long, Chief Judge
Jacqueline M. Wallace, Interim 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 matter 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.

Improve Accounts Receivable Management

As a result of the Clerk not reviewing the "*Cases Concluded without Financial Management System Receivables Report*", a defendant was not charged for \$2,420 in court costs and \$102,194 in restitution for five months following his conviction. This report identifies all concluded criminal cases with a guilty finding and indicates if the defendants have an accounts receivable established in the court's automated accounting system. Continual failure to review this report could lead to a loss of revenue to the Commonwealth and the locality. The Clerk should properly review the report in order to maximize collections.

COMMONWEALTH OF VIRGINIA
COUNTY of CHARLES CITY



CIRCUIT COURT CHARLES CITY COUNTY

Edith K. Holmes, Clerk

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April 18, 2012

Walter J. Kucharski
Auditor of Public Accounts
Attention: Tracy Vaughan
Senior Specialist/Team Leader Capital /Southside Team
24 Woodmere Drive, Apt. E
Petersburg, Virginia 23805

IN RE: Audit Period January 1, 2011 through December 31, 2011

Dear Mr. Kucharski,

In response to the above referenced audit period:

Improve Accounts Receivable Management

We had one case that we were holding on the Deputy Clerk's desk waiting for a breakdown of the restitution that was ordered in that case. We entered all the finances in that case while the auditor was here performing the audit.

Sincerely,

Edith K. Holmes
Clerk