

**TERESA T. CARROLL  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF ORANGE**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2011 THROUGH MARCH 31, 2012**



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## 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.

### Properly Record Interest

The Clerk did not record the interest earned to the automated accounting system totaling \$8,868 for the four trust fund accounts and three equity deposits tested. The Clerk receives bank statements or advices detailing interest earned for her invested funds. When the Clerk receives an interest statement or advice, the Clerk should immediately post the interest to the individual accounts in the accounting system and ensure the accounting system accurately reflects the balance in the bank and if there is a need to disburse funds the Clerk knows the amounts available.



# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

July 16, 2012

The Honorable Teresa T. Carroll  
Clerk of the Circuit Court  
County of Orange

Teel Goodwin, Board Chairman  
County of Orange

Audit Period: April 1, 2011 through March 31, 2012  
Court System: County of Orange

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. This 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.

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:alh

cc: The Honorable Daniel R. Bouton, Chief Judge  
Julie G. Jordan, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia

TERESA T. CARROLL  
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BRENDA L. MORRIS, CHIEF DEPUTY  
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COURT SERVICES-CIVIL/BOOKKEEPER  
DONNA L. SEARS, DEPUTY CLERK  
RECORDS MGMT/CIVIL  
DIXIE L. DINGUS, DEPUTY CLERK  
LAND RECORDS/RECORDING  
~~JEANETTE G. BROWN, DEPUTY CLERK~~  
~~LANDS RECORDS, COURT SERVICES~~  
SANDRA R. MORRIS, DEPUTY CLERK  
JURY MGMT/COURT SERVICES

Walter J. Kucharski  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

Dear Mr. Kucharski:

My letter is in reply to the audit report dated July 16, 2012 concerning the maintenance of internal controls on trust accounts. Please accept this letter as my corrective action plan. I have talked with Virginia Community Bank concerning receiving monthly interest statements rather than quarterly interest statements. I will update each trust account immediately, as interest statements are received from the bank, **as I always have**. I will periodically check the bank balances against my accounts in the Financial System to insure that the balances agree and are correct, which is my current procedure. I hope this proposed plan of action meets with your approval. If you have additional suggestions or comments, please feel free to let me know.

Sincerely,

Teresa T. Carroll, Clerk  
Orange County Circuit Court

JUL 19 '12 AM 10:43