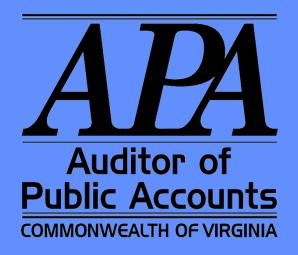
EDITH K. HOLMES CLERK OF THE CIRCUIT COURT FOR THE COUNTY OF CHARLES CITY

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



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Commonwealth of Hirginia

Walter J. Kucharski, Auditor

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

May 27, 2011

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

Board of Supervisors County of Charles City

Audit Period: October 1, 2009 through December 31, 2010

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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled <u>Comments to Management</u>. 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 Thomas B. Hoover, Chief Judge John F. Miniclier, 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 Record Court Appointed Attorney Fees in the Financial Management System

In five of ten cases tested the Clerk failed to enter the Court-Appointed Attorney fee for preliminary hearings assessed by the General District Court judge. This resulted in a \$600 loss to the Commonwealth. The Clerk should immediately correct her procedures and record all cost in the Financial Management System. The Clerk should correct these errors and recoup the monies for the Commonwealth and determine if there are any similar cases in which to collect these fees.

COMMONWEALTH OF VIRGINIA COUNTY of CHARLES CITY

CIRCUIT COURT CHARLES CITY COUNTY Edith K. Holmes, Clerk Post Office Box 86 Charles City, Virginia 23030-0086

PHONE: (804) 652-2105 FAX: (804) 829-5647

May 26, 2011

Linda A. Gray Auditor of Public Accounts Judicial Systems Senior Specialist Shenandoah Valley Team Leader

In Re: Audit Report October 1, 2009 through December 31, 2010

The management point of Properly Recorded Court Appointed Attorney Fees in the Financial System: None of the cases tested had been paid so we were able to correct those fees and I sent a bill to Charles City County to reimburse The Treasurer of Virginia for the fees they paid. If you have any questions please feel free to call me at (804) 652-2105. Thank you.

Sincerely,

Edith K. Holmes

Clerk

File cc: