

**CLERK OF THE CIRCUIT COURT
of the
COUNTY OF POWHATAN
WILLIAM E. MAXEY, JR.**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2007 THROUGH MARCH 31, 2008**





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

August 11, 2008

The Honorable William E. Maxey, Jr.
Clerk of the Circuit Court
County of Powhatan

Board of Supervisors
County of Powhatan

Audit Period: April 1, 2007 through March 31, 2008
Court System: County of Powhatan

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

However, we noted matters involving internal control and its operation necessary to bring to management's attention.

Compliance

Additionally, 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.

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 Thomas V. Warren, Chief Judge
Carolyn Cios, 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

Internal Controls and Compliance

We noted the following matter involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. This matter is also not compliant with applicable laws and regulations.

Properly Monitor and Disburse Liabilities

As previously reported, the Clerk does not monitor and disburse liability accounts. The Clerk continues to hold \$87,610.00 in potential Unclaimed Property. We noted Chancery funds dating from 1994 that are eligible for remittance to the Commonwealth per Section 55-210.12E of the Code of Virginia.

Auditors tested five cases totaling \$44,864.41. Of these cases, auditors confirmed that all five are eligible for escheatment to the Commonwealth. The Clerk should immediately remit these funds to the Treasurer of Virginia.

Additionally, the Clerk should maintain correspondence with the Judge, Attorneys, plaintiffs and defendants to assist in timely resolution of these cases; and should properly document this correspondence in each case file. The Clerk should immediately review the \$42,745.79 balance in liability accounts; determine the status of each account; and disburse these funds to the appropriate party. For any monies held by the Clerk for a year or longer and identified as Unclaimed Property, the Clerk should remit to the Commonwealth as required by the Code of Virginia.

Circuit Court of Powhatan County

CLERK'S OFFICE
P.O. Box 37
Powhatan, VA 23139
(804) 598-5660

ELEVENTH JUDICIAL CIRCUIT
THOMAS V. WARREN
PAMELA S. BASKERVILL
JAMES F. D'ALTON, JR.
JUDGES

WILLIAM E. MAXEY, JR.
CLERK

August 18, 2008

Ms. Kathleen M. Kimmel, CPA, CGFM
Auditor of Public Accounts
P. O. Box 1295
Richmond, VA 23218

Re: Audit for April 1, 2007
through March 31, 2008

Dear Ms. Kimmell:

In response to the recent management comment by your office, we offer the following corrective action plan:

We are currently reviewing the cases in which we are holding funds. We are making due diligence to locate the owners as indicated in the files. Upon review of responses and/or non-responses, we will request a Court Order directing us to escheat any unclaimed funds.

Sincerely yours,



William E. Maxey, Jr.
Clerk

WEMjr/kcp

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