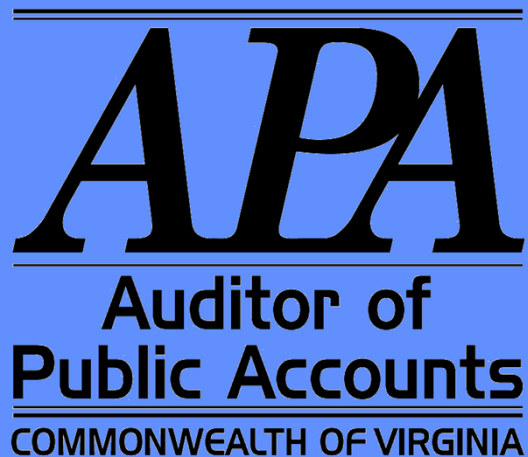


**CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF DICKENSON**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

March 25, 2011

The Honorable Richard W. Edwards
Clerk of the Circuit Court
County of Dickenson

Board of Supervisors
County of Dickenson

Audit Period: January 1, 2010 through December 31, 2010
Court System: County of Dickenson

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 Comments to Management. Any response and written corrective action plan to remediate these 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: clj

cc: The Honorable Patrick R. Johnson, Chief Judge
G. David Moore, Jr., 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.

Monitor and Disburse Liability Accounts

As noted in the prior year audit, the Clerk is not properly disbursing liability accounts. The Clerk is holding \$4,281 in trust funds, \$417 in fiduciary funds and \$245 in restitution for ended cases. Liability accounts record amounts that the Clerk is holding to disburse to individuals, agencies, or to pay fines and costs. The Clerk should disburse liabilities on a monthly basis. Further, the Clerk should perform due diligence and remit unclaimed property and restitution to the appropriate agency in accordance with the Code of Virginia.

Request Tax Set Off Refunds

As noted in prior year audit, the Clerk did not request the Virginia Department of Taxation (TAX) hold tax set off refunds totaling \$1,006 for individuals that owe delinquent court costs and fines resulting in a loss of revenue to the Commonwealth and locality. A court must request tax refunds through TAX's automated accounting system called the Integrated Revenue Management System. The Clerk should request tax set off refunds to maximize collections as required by the Code of Virginia.

Properly Bill Court Costs

In two of 20 cases tested, the Clerk and his staff did not properly bill court costs. In one case, the Clerk did not bill the defendant for court appointed attorney expenses totaling \$60. In one case, the Clerk miscoded the Commonwealth's portion of the DNA fee of \$12.50 as jail admission fees. We recommend the Clerk review all similar cases, correct the case papers and bill the defendants for court costs. Further, the Clerk should bill and collect court costs in accordance with the Code of Virginia.

Promptly Transfer Excess Copy Fees

In three of 12 months tested, the Clerk held for up to one month excess copy fees before sending them to the Commonwealth. The Clerk determines the excess copy fees after reimbursing the county their cost and then sends the excess copy fees to the Commonwealth. The Clerk should transfer excess copy fees to the Commonwealth monthly as required by the Financial Management System User's Guide.

Prepare Court Orders

In seven of ten cases tested, the Clerk did not prepare a criminal court order for the Judge to approve. In this court, the Clerk is responsible for preparing criminal court orders when the Judge dismisses a case. To help prevent a loss of records from occurring, the Clerk should prepare criminal court orders at the conclusion of the trial for the Judge's approval.

April 29,2011

Randy Johnson
Senior Specialist
Auditor of Public Accounts

Dear Mr. Johnson,

Please find attached the corrective action plan that I have for each of the five management points that Mr. Tom Fraley identified during his audit of our Office.

Management Point # 1; Court should take action on liabilities when Owner in unknown.

Yes, it is true that we have funds in our Trust Account held over the time limit, but being newly appointed to this position I did not feel comfortable in changing these funds since the previous Commissioner of Accounts held these funds for over five years.

Management Point # 2; Court Should properly identify cash overages and shortages.

When we have cash overages at the end of the day, the amount is identified that evening or the following morning by looking at the daily receipt register and the day end report of checks. The amount is then entered as a receipt the next day to the correct account. That amount is notated on the cash reconciliation worksheet as an under ring on the day of the shortage and as an over ring on the day it is receipted. If the amount is not entered on the following day, the cash balance worksheet will not balance until the amount is entered. The \$12 and the \$5 in question were identified but were not entered and recorded in the 411 cash over/short account.

The cash overage of \$12.00 on 3/31/10 was properly identified on the cash reconciliation worksheet as an under ring of check # 14647. This amount was entered into the corresponding case for check # 14647 on 4/05/10. This was a correction of a receipting error type #2 under-ring (per FMS manual page 9-9). The FMS manual for general accounting principles page 9-5 states that a cash overage is declared by the clerk of court or designee only after all receipts have been reviewed and an "under-ring" receipt error has been ruled out as the cause of the overage in cash. Since the \$12.00 was not a cash overage, but identified as an under-ring, account 411 was not used for this cash overage.

Management Point # 3; Request Tax Set Off Refunds;

This management point has been addressed and we now have Ms Christy Fleming Certified on IRMS. She received her certification from the Department of Taxation while Mr. Fraley was conducting his Audit. Ms Debbie Childress from our General District Clerk Office here in Dickenson County, has agreed to help show Ms Fleming the proper method used to do the Tax Set Off.

The Department of Taxation could be more helpful in the training process especially if they would allow the Supreme Court of Virginia Circuit Court Team to help with the training process.

Now that Ms Fleming is certified, I plan to start working on the IRMs certificate myself.

Management Point # 4; Clerk should prepare Court orders for all dismissed cases;

About three years ago, when I lose 75% of my staff, Judge Vanover said that he would allow his Secretary to process the Criminal Orders. I presumed that this covered all Orders.

This was a mistake on my behalf and since this has been brought to my attention, through the Audit process, I have taken the following steps to prevent this from happening in the future. The action that I have taken was the preparation of a generic Order for dismissed cases and placing them at my desk in the Court Room ready to be filled in and signed by the Judge as this occurs. This process worked well for us on Thursday April 7, 2011 as we used this forms about three time during the course of the day.

Management Point # 5; Clerk should transfer excess copy fees monthly.

These fees were not transferred monthly as they should have been, and I agree; however the fees were transferred the following month and all was accounted for. During the time frame in question, Ms Fleming was out on maternity leave.

Best Regards,

Richard W. Edwards

Richard W. Edwards