

**CLERK OF THE CIRCUIT COURT OF
THE COUNTY OF FRANKLIN**

**REPORT ON AUDIT
FOR THE PERIOD
OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2007**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

December 30, 2007

The Honorable Alice S. Hall
Clerk of the Circuit Court
County of Franklin

Board of Supervisors
County of Franklin

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Franklin for the period October 1, 2006 through September 30, 2007.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

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.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system.

However, we noted a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable condition is discussed in the section titled "Internal Control and Compliance Findings and Auditor's Recommendations."

We do not believe this condition is a material weakness. A material weakness is a significant deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed an instance of noncompliance that is required to be reported. This instance of noncompliance is discussed in the section entitled “Internal Control and Compliance Findings and Auditor Recommendations.”

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 Charles J. Strauss, Chief Judge
Richard E. Huff, II, 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

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are reportable internal control matters that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk did not provide a response to the item below.

Properly Assess and Record Criminal Fees

In nine of 30 criminal cases tested, we found assessment errors totaling \$1,042. The Clerk and her staff do not consistently and correctly assess fees and costs in criminal cases in accordance with the Code of Virginia.

The Clerk should assess and collect all court costs and fees in accordance with the Code of Virginia. The Clerk should review assessment procedures with her staff; use the Supreme Court's current fee schedule; and when practical, attend periodic regional training meetings.

