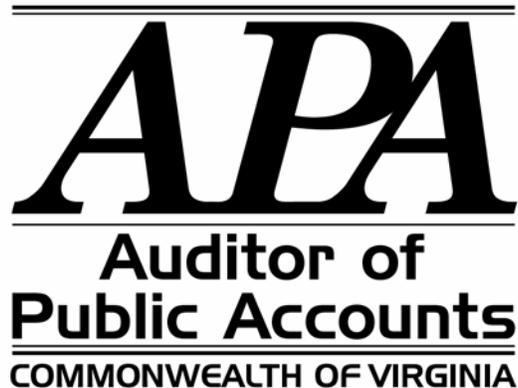


**R. GLENNWOOD LOOKABILL
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF PULASKI, VIRGINIA**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2003 THROUGH DECEMBER 31, 2004**



- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT LETTER	1-2
INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS	3
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	4-5



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

February 8, 2005

The Honorable R. Glennwood Lookabill
Clerk of the Circuit Court
County of Pulaski

Board of Supervisors
County of Pulaski

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Pulaski for the period July 1, 2003 through December 31, 2004.

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/Compliance Findings and Auditor Recommendations.”

We discussed these comments with the Clerk on February 1, 2005 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:slb

cc: The Honorable Ray W. Grubbs, Chief Judge
Peter M. Huber, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

INTERNAL CONTROL/COMPLIANCE FINDINGS AND AUDITOR RECOMMENDATIONS

Properly Assess Fees

As noted in our previous audit, staff continues to make mistakes when assessing court costs and fees on criminal cases. In five of the 20 cases tested, we found numerous assessment errors resulting in approximately \$600 in over-assessments and \$515 in under-assessments.

The Clerk agreed to review the criminal cases we tested and correct the errors. He should also continue to take action to train staff in the proper assessment of court costs and fees. Using the Supreme Court's current fee schedules and when practical, attending their periodic regional training meetings can help keep court staff abreast of any changes in costs and fees. The Clerk should assess and collect all court costs and fees in accordance with the Code of Virginia.

Strengthen Controls Over Bank Reconciliations

The Clerk failed to ensure that his staff was promptly reconciling the court's bank account. Specifically, the back-up bookkeeper failed to prepare the bank reconciliation for seven out of 18 months reviewed. The Clerk should ensure that his staff reconciles the bank account promptly after receiving the bank statement as required by the Financial Management System User's Guide, Chapter 7. Failure to properly and promptly reconcile the bank account increases the risk of errors going undetected.



COUNTY OF PULASKI

Circuit Court of Pulaski County
R. Glennwood Lookabill, Clerk
Pulaski, Virginia 24301



JUDGES

COLIN R. GIBB
PULASKI, VA

ROBERT M. D. TURK
CHRISTIANSBURG, VA

RAY W. GRUBBS
CHRISTIANSBURG, VA

J. COLIN CAMPBELL
INDEPENDENCE, VA

BRETT L. GEISLER
HILLSVILLE, VA

February 8, 2005

MAILING ADDRESS
45 THIRD STREET, N.W., SUITE 101
PULASKI, VIRGINIA 24301

TELEPHONE
(540) 980-7825
FAX (540) 980-7835

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

Attention: Marsha Tedesco

Re: January 31, 2005 audit finding of Louise Edmiston
regarding erroneous assessment of some fees in criminal cases

Dear Mrs. Tedesco:

As Ms. Edmiston commented in her finding, once we became ware of our misinterpretation of the instructions/Code, we made all necessary corrections. We now assess costs correctly in the said criminal cases.

Thank you for this opportunity to comment.

Sincerely,

R. Glennwood Lookabill
Clerk

RGL/mhc



COUNTY OF PULASKI

Circuit Court of Pulaski County

R. Glennwood Lookabill, Clerk

Pulaski, Virginia 24301



JUDGES

COLIN R. GIBB
PULASKI, VA

ROBERT M. D. TURK
CHRISTIANSBURG, VA

RAY W. GRUBBS
CHRISTIANSBURG, VA

J. COLIN CAMPBELL
INDEPENDENCE, VA

BRETT L. GEISLER
HILLSVILLE, VA

MAILING ADDRESS
45 THIRD STREET, N.W., SUITE 101
PULASKI, VIRGINIA 24301

TELEPHONE
(540) 980-7825
FAX (540) 980-7835

January 26, 2005

Commonwealth of Virginia

Auditor of Public Accounts

In response to the audit finding of January 25, 2005 by Louise Edmiston, I wish to state that I have taken the following actions in remediation of that finding:

A monthly reminder has been established in the computer program of the staff member responsible for monthly reconciliation. On or about the date she receives the bank statement, she will automatically be reminded to reconcile the bank statement to FMS.

I have marked my calendar for the remainder of 2005 to personally make certain that the said deputy clerk completes the reconciliation in a timely fashion every month. The office bookkeeper is doing likewise.

Thank you for the opportunity to address remediation of the audit finding.

Sincerely yours

R. Glennwood Lookabill
Clerk

