

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

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2007 THROUGH SEPTEMBER 30, 2008**



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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

February 9, 2009

The Honorable Susan M. Herrington  
Clerk of the Circuit Court  
County of Grayson

Board of Supervisors  
County of Grayson

Audit Period: July 1, 2007 through September 30, 2008  
Court System: County of Grayson

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

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

## Compliance

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:clj

cc: The Honorable Josiah T. Showalter Jr., Chief Judge  
William D. Ring, 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

#### Promptly Deposit All Funds

The Clerk does not record all of her cash funds and transactions in the accounting records. Instead the Clerk and her staff have accumulated cash from other sources and have a separate unrecorded over and short cash fund to balance daily collections and deposits.

Cash overages and shortages occur in any operation handling significant cash transactions. The Financial Management System User's Guide, which is the manual on how to use the court's accounting system, includes procedures for accounting for cash overages and shortages. These procedures, coupled with other controls such as separate and individual assigned cash drawers with set cash fund and daily balancing and deposit, allow the Clerk to monitor this activity.

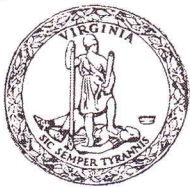
The Clerk should use all of the processes available in the Financial Management System to record cash transactions and deposit collections intact as collected. Finally, the proper use of the accounting system will allow the Clerk to monitor, who is having overage and shortage, which will allow the Clerk to properly train and supervise her staff.

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

#### Properly Monitor and Report Delinquent Accounts

In nine of ten cases tested, the Clerk had delayed reporting to the Department of Motor Vehicles for up to three months cases that were eligible for license suspension in accordance with Section 46.2-395 of the Code of Virginia or the corresponding judge's order. The Clerks should report all unpaid criminal and traffic cases promptly to the Department of Motor Vehicles. Driver's license suspension is an important tool for the collection of delinquent fines and costs. The Clerk should at least review delinquent accounts monthly and promptly report all cases with unpaid fines and costs.



SUSAN M. HERRINGTON  
CLERK

COMMONWEALTH OF VIRGINIA  
**CIRCUIT COURT OF GRAYSON COUNTY**

P.O. BOX 130 • 129 DAVIS STREET  
INDEPENDENCE, VIRGINIA 24348  
(276) 773-2231 • (276) 236-8149



DEPUTIES  
DEBRA P. HENSLEY  
SHARON A. HALE  
EVELYN B. OSBORNE

March 17, 2009

Auditor of Public Accounts  
Walter J. Kucharski, Auditor  
P.O. Box 1295  
Richmond, VA 23218

Dear Mr. Kucharski:

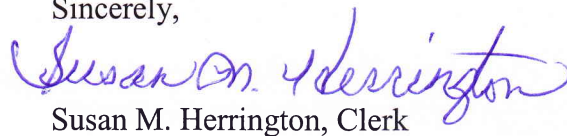
I am writing in response to your audit report dated February 9, 2009. I would like to address the issues you feel need improvement.

You indicated that cash funds are not promptly being recorded. I, however, disagree. As has been the practice here for several years, way prior to my becoming Clerk, a "cookie tin" is kept for daily funds given by customers for copy payments. The customer does not want a receipt, so therefore, at the end of the day, these funds are receipted on a batch receipt. Occasionally, the clerk doing the daily balance overlooks these funds, and they will not be receipted until the next evening at closing. The only funds that are kept in this fund and not receipted are pennies provided to us by customers. When the taxes changed on deed recordings a few years ago, many documents would be short pennies. Several of our more frequent recorders asked us to keep pennies on hand to balance the recordings when they would be short a few cents. This is much the same way as if you go to a convenience store, and they have a small tray stating "if you need a penny, take one, if you can spare a penny, spare one." Please be aware that when our audit was being conducted, these pennies were all receipted per his direction. No funds have ever been disappropriated, and the Commonwealth of Virginia has never been shorted any funds from this office.

Secondly, you indicated that I do not promptly report cases to the Department of Motor Vehicles. I again, disagree. I have provided a copy of a court order signed by The Honorable Brett L. Geisler granting me the authority to allow an individual to miss up to three monthly payments before sending a notice for suspension. You will notice that the final paragraph of this Order indicates that this has been an ongoing practice. Therefore, I have always been meeting the Court's standards.

Thank you for this opportunity to address these issues.

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Herrington". The signature is fluid and cursive, with the first name "Susan" and last name "Herrington" clearly legible.

Susan M. Herrington, Clerk

Enclosure

GM08-2020

VIRGINIA: IN THE CIRCUIT COURT OF THE COUNTY OF GRAYSON

IN RE: COLLECTIONS OF FINES, COSTS, AND RESTITUTION

It is Ordered that all fines, costs, and restitution due this Court shall be handled in the following manner:

If a defendant is allowed time to pay, the due date shall be set for the expiration of that time period. For example, if a defendant is allowed twelve months to pay, then the due date shall be twelve months from the court date.

If a defendant is Ordered to pay a set amount per month, then his payments shall be set up within the Financial Management System to accept a monthly payment. The Clerk shall be given the authority to allow up to three (3) missed payments prior to sending the defendant a notice for suspension of operator's license. However, if the defendant has multiple accounts and is making regular payments to a particular account, the defendant will not be penalized for failing to pay on other accounts.

If a defendant is unable to pay the court-ordered monthly payment but is able to make a reduced monthly payment, the defendant shall return to Court to request his payment be reduced. The Clerk shall be given the authority to allow up to three (3) reduced payments prior to sending the defendant a notice for suspension of operator's license.

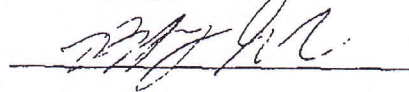
If a defendant was previously Ordered to pay during the term of his probation, and fines, costs, or restitution remain due, the probation officer may make recommendation to extend the defendant's probation, sometimes indefinitely. The due date shall be extended, and payments shall be made per direction of the Probation Officer.

If a defendant is sentenced to an active term of incarceration, upon his release, the defendant shall be given an opportunity to set up a payment plan with either the Probation Officer or the Clerk of this Court.

If a defendant has more than one conviction on the same court date, the Clerk is allowed to combine all costs assessed for that court date into one entry.

It appearing that the above has been an ongoing practice by the Clerk of this Court, and now having been reduced to writing, shall be admitted to public record.

Enter this 12 day of December, 2008.



BRETT L. GEISLER, JUDGE