

**HAYDEN H. HORNEY  
CLERK OF THE CIRCUIT COURT  
of the  
COUNTY OF WYTHE**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2008 THROUGH MARCH 31, 2009**





# Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

**Walter J. Kucharski, Auditor**

July 6, 2009

The Honorable Hayden H. Horney  
Clerk of the Circuit Court  
County of Wythe

Board of Supervisors  
County of Wythe

Audit Period: April 1, 2008 through March 31, 2009  
Court System: County of Wythe

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 no 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 Josiah T. Showalter, Jr., Chief Judge  
Cellell Dalton, 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

We noted the following matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### Follow Standard Cashiering Practices

The Clerk does not properly manage cash collections. The Clerk does not adequately train his staff nor provide the proper oversight in receipting of collections. The Clerk allows multiple cashiers to use the same cash drawer or use the same cash register or computer. Additionally, we have noted errors in recording transactions including receipting payments and making change. These practices have resulted in cash shortages and overages ranging from \$39 to \$100 and on 16 of the 29 days that we tested cash register errors ranging from excess charges of \$183 to under charges of \$173.

All operations, which regularly deal with the public and use either registers or computers have some minimum standard practices. These practices included having all staff fully trained on the equipment and having a thorough knowledge of the prices' structure for the operations. Further, each cashier has a separate cash drawer, so that they can have complete accountability for all of their transactions.

The use of a separate cash drawer is so that management can monitor the cashier's ability to properly record and execute transactions. Further management can determine which require additional training or need to be reassigned other duties.

The Supreme Court provides training for staff using its equipment and the standard procedures cashiers, bookkeepers, and others should follow in a cashiering operation. Further, the FMS manual is readily set up to serve as a reference guide. We recommend that the Clerk follow best standard practices for a cashiering operation.