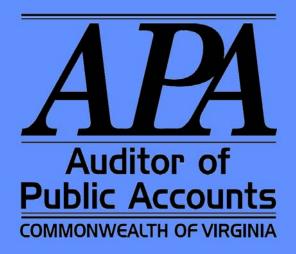
ANN S. MCREYNOLDS CLERK OF THE CIRCUIT COURT FOR THE COUNTY OF RUSSELL

REPORT ON AUDIT FOR THE PERIOD APRIL 1, 2011 THROUGH MARCH 31, 2013



COMMENTS TO MANAGEMENT

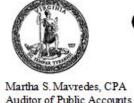
We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Request Tax Set-Off Refunds

The Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax refund set-off totaling \$2,899 for delinquent court costs and fines, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off of tax refunds through TAX's automated accounting system, the Integrated Revenue Management System. The Clerk should use the tax refund set-off process to maximize collections as required by the <u>Code of Virginia</u>.

-TABLE OF CONTENTS-

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	3



Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295 Richmond, Virginia 23218

June 7, 2013

The Honorable Ann S. McReynolds Clerk of the Circuit Court County of Russell County

Jon Bowerbank, Board Chairman County of Russell County

Audit Period: April 1, 2011 through March 31, 2013

Court System: County of Russell County

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System 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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled <u>Comments to Management</u>. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior year that is not repeated in this letter.

www.apa.virginia.gov (804) 225-3350

We discussed this comment with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Henry A. Vanover, Chief Judge Rufus Hood, Interim 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

County of Russell

Kerry R. Williams Judge

Michael L. Moore Judge

Henry A. Vanover Judge

Jack S. Hurley, Jr. Judge



P. O. Box 435 53 East Main Street Lebanon, VA 24266 Telephone (276) 889-8023 Fax (276) 889-8003 Ann S. McReynolds Clerk

> Deputies Vickie Colley

Jennifer Kendrick

Lorrie Ratliff

Sarah Gilmer

June 13, 2013

Ms. Martha Mavredes Auditor of Public Accounts P.O. Box 1295 Richmond, VA 23218

Dear Ms. Mavredes:

With regard to the recent audit of our office, Russell County Circuit Court, we would like to notify you of the actions we have taken.

With regard to the management point on requesting tax set-off refunds, this matter has now been resolved. The Deputy Clerk and also the Clerk now receive the e-mail that a tax set off refund is available. This way we now have two (2) people looking for any tax set-off refunds that we should be receiving.

If we can be of additional assistance to your office, please do not hesitate to contact us.

Sincerely,

Ann S. McReynolds

Ann S. McReynolds, Clerk