

**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 Code of Virginia.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

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 Comments to Management. 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.

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



Clerk's Office

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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