

TERESA H. DOBBINS  
CLERK OF THE CIRCUIT COURT

FOR THE

COUNTY OF POWHATAN  
REPORT ON AUDIT

FOR THE YEAR ENDED JUNE 30, 2020

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Report on Audit of the Clerk of the Circuit Court**

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

We have audited the financial records and operations of the Clerk of the Circuit Court for the County of Powhatan, Virginia for the year ended June 30, 2020. 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.

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

**Outstanding Checks**

The Clerk has outstanding checks of \$2,135.94 that are over one year old. The amounts should be submitted to the state as unclaimed property.

**Non-Reverting Funds**

The Clerk disbursed non-reverting funds directly to employees in the form of bonuses. However, the Clerk did not obtain an appropriation from the County, and there were no applicable federal, state, social security, and Medicare taxes withheld on the payments. In the future, any payments made in the form of bonuses or payroll should be accompanied by appropriation from the locality and the correct amount of tax withholdings.

**Setoff Debt Collections**

According to the year-to-date statistical report from the Department of Taxation's Integrated Revenue Management System (IRMS), the Clerk received \$1,817.51 in setoff debt collections during the year. However, the amounts were not posted to account number 405 in the Clerk's FAS system, but rather to other accounts in FAS. Additionally, the year-to-date statistical report revealed that there was one instance of "Failure to Certify" totaling \$135.70 and seven instances of "Failure to Finalize" totaling \$1,150.00. Any setoff debt collections received through IRMS should be posted to the 405 account in the FAS system. Additionally, tax set-off defaults can lead to loss of revenue for the locality and the Commonwealth.

We are sending this letter in accordance with the Auditor of Public Accounts' Specifications for Audits of Counties, Cities and Towns, Section 6-18, *Reporting Requirement*.

*Robinson, Farmer, Cox Associates*

Richmond, Virginia  
October 22, 2020

cc: Clerk of the Circuit Court, Teresa H. Dobbins  
Honorable Members of the Board of Supervisors, County of Powhatan, Virginia



# Circuit Court of Powhatan County Clerk's Office

**TERESA HASH DOBBINS, CLERK**  
3880-C Old Buckingham Road  
Powhatan, VA 23139  
(804) 598-5660  
tdobbins@vacourts.gov



November 18, 2020

Aaron Hawkins, Audit Supervisor  
Robinson, Farmer, Cox Associates  
401 Southlake Boulevard, Suite C-1  
North Chesterfield, Virginia 23236

Dear Mr. Hawkins;

My response to the Report on Audit for the year ended June 30, 2020 is as follows:

#### Outstanding Checks

The Clerk has implemented the necessary procedures to disburse these funds to the proper authority within the next 120 days.

#### Setoff Debt Collections

This was the first year that we have received any tax debt setoff notices. The Clerk has implemented the proper training for staff responsible for these reports and has had staff in contact with the Virginia Department of Taxation to answer any additional questions on the proper procedures.

#### Non-Reverting Funds

I have attached the letter that was sent to the Auditor of Public Accounts addressing my appeal of this finding. The Clerk feels strongly that this should **not** be a Management Point as this expenditure has passed the last four audits and was handled in the manner suggested by the APA. The Clerk was not made aware of changes in the APA's policy regarding this procedure. Attached is a copy of my appeal letter to the APA and the response email that was received. Also attached is a copy of the APA's specifications that changed from May 2019 to May 2020. This change in guidelines was not discussed with this Clerk either by fellow Clerks, during training or by any auditing firm nor was it promulgated by the Office of the Executive Secretary. The specifications changed in May 2020 six months after the disbursements were made.

Finally, I appreciate the time and effort that your firm has spent in reviewing the policies and practices of this office. We are not happy that there were instances that needed addressing but are glad to be made aware so that we can continually improve our processes to ensure a well-run office that can best serve the citizens of this locality and our Commonwealth.

We appreciate your consideration and professionalism in conducting our annual audits and we look forward to our continued relationship.

Regards,

Teresa Hash Dobbins, Master Clerk  
Certified Court Manager

/thd



# **COMMONWEALTH of VIRGINIA**

*Auditor of Public Accounts*

Staci A. Henshaw, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218  
(804) 225-3350

## **Auditor of Public Accounts Clarification**

The Auditor of Public Accounts is charged with preparing the Specifications for Audit to assist CPA firms based on the Code of Virginia and any guidelines issued by the Office of the Executive Secretary of the Supreme Court of Virginia and the requirements take effect based on the Code or guidelines, not on the issuance of the Specifications. The CPA firm, as the auditor of record, made a final determination of what to include in their report and it would not be appropriate for the APA to insert itself into that decision because we were not directly involved with the audit.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS