

**CHRISTOPHER W. COLEMAN
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF BUENA VISTA**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

May 24, 2010

The Honorable Christopher W. Coleman
Clerk of the Circuit Court
City of Buena Vista

City Council
City of Buena Vista

Audit Period: January 1, 2010 through December 31, 2010
Court System: City of Buena Vista

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.

Comments to Management

We noted matters involving internal control and its operation and have brought these matters to management's attention in the section titled Comments to Management. The Clerk's response and written corrective action plan to remediate these matters is 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: alh

cc: The Honorable Humes J. Franklin, Jr., Chief Judge
Timothy L. Dudley, City Manager
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

We noted the following matters 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.

Appropriately Classify Funds

The Clerk inappropriately classified and invested three law cases totaling \$10,278 as monies under the control of the court. These funds were for unknown parties on sale of real estate or beneficiaries of wills. In addition, the Clerk could have escheated \$2,708 of these funds to the Department of the Treasury. The Clerk should carefully review court orders and manage funds as directed by the court.

Appropriate Back Up Personnel

In order to intercept tax refunds from individuals that owe the court unpaid fines and fees, the court must have someone certified to use the Virginia Department of Taxation's Integrated Revenue Management System. Only the Clerk has this certification and in his absence no one else in the office can intercept the refunds. We recommend the Clerk have another employee obtain the certification.



CHRISTOPHER W. COLEMAN, CLERK

CITY OF BUENA VISTA CIRCUIT COURT

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MICHELLE M. TROUT, CHIEF DEPUTY CLERK
DONNA S. COLE, DEPUTY CLERK

April 27, 2011

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

Dear Mr. Kucharski:

This letter serves as a response to your report dated April 25, 2010 regarding the audit of Buena Vista Circuit Court for the time period of January 1, 2010 through December 31, 2010.

Appropriate Backup Personnel

As noted in your report, I do not have a certified backup for the Integrated Revenue Management System (IRMS). I have contacted the Virginia Department of Taxation and enrolled my Chief Deputy, Michelle Trout, in training to become certified with the IRMS program. I would note that since the inception of the IRMS program, I have not missed a single tax notification from the Department of Taxation, nor has any claimable revenue been lost. I do, however, recognize the need for a backup in my absence.

Appropriately Classify Funds

As further noted in your report, I deposited three funds as Trust Funds under Code 511. I immediately performed journal vouchers to transfer the three funds into Code 522 (Civil Deposit), and will promptly transfer any eligible funds to the Commonwealth in my annual Unclaimed Property Report.

I hope this addresses any questions or concerns raised in the audit report. Please feel free to contact me should you need anything further.

Sincerely,

Christopher W. Coleman