

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

REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2007 THROUGH MARCH 31, 2008





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

July 26, 2008

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

Board of Supervisors
County of Wythe

Audit Period: April 1, 2007 through March 31, 2008
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

However, 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.

Properly Receipt Collections

A review of cash register close out procedures found daily cash shortages up to \$50 and cash overages up to \$100. Further, we noted two unexplained transactions: an over-ring up of \$1,180 and an under-ring of to \$443. Upon investigation, auditors determined that Court staff had not received adequate training in the receipting process and on a daily basis rely upon the bookkeeper to make the necessary transaction corrections.

We strongly recommend the Clerk use separate cash drawers or bags for each cashier to provide individual accountability over cash collections and to identify the staff in need of training. We then recommend that the Clerk review FMS User's Guide to ensure that he and his staff understand and follow appropriate receipting procedures. We also recommend that the Clerk be more diligent in his review of the daily reports. These recommendations are fundamental internal controls necessary to reduce potential loss of assets to due fraud or other irregularities.



Hayden H. Horney, Clerk
Brenda M. Atwell, Chief Deputy

Clerk of the Circuit Court

Circuit Court Building - 225 South Fourth Street, Room 105
Wytheville, Virginia 24382
Telephone: 276/223-6050
FAX: 276/223-6057

August 11, 2008

Janet R. Hancock, Deputy
Frankie Akers, Deputy
Shana A. Dixon, Deputy
Ashley King, Deputy
Dorinda L. Elliott, Deputy

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

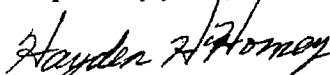
In re: Comments to Management

In regards to your recommendations, we have implemented using two cash drawers and have assigned half of the staff to each cash drawer. Due to the fact that our receipting system identifies who performed each receipt, we have identified and are providing additional training along with strict instructions from myself as to the importance of accurate receipting.

These problems appear to come from the newer employees and especially from the part time staff because the part time staff does not receipt on a regular basis. Also, daily reports are now reviewed on a daily basis or as soon as possible.

If you have any further concerns or suggestions, I would appreciate your letting me know.

Respectfully yours,


Hayden H. Horney