



RHONDA T. VAUGHN
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF FLOYD

FOR THE PERIOD
JANUARY 1, 2022 THROUGH MARCH 31, 2023

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that have led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Probate Taxes and Fees

Repeat: No

The Clerk did not properly bill and collect probate taxes and fees when recording wills. In two of ten estates tested (20%), we noted the Clerk did not bill and collect a total of \$359 in taxes and fees. The Clerk should bill the two estates noted for the additional amounts owed and, going forward, should properly bill and collect probate taxes and fees when recording estates, as required by the Code of Virginia.

Retain Voided Receipts

Repeat: No

For two of nine voided receipts tested (22%), the Clerk did not retain all copies of the receipt. Clerks must monitor and control voided transactions closely as these transactions pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and should properly train staff to perform appropriate journal entries rather than unnecessarily voiding receipts.

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 27, 2023

The Honorable Rhonda T. Vaughn
Clerk of the Circuit Court
County of Floyd

Joe D. Turman, Board Chair
County of Floyd

Audit Period: January 1, 2022, through March 31, 2023
Court System: County of Floyd

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any written corrective action plan to remediate these matters provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether it adequately addresses the issues in this report.

We discussed these comments with the Clerk, and we acknowledge the cooperation extended to us by the Clerk and her staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

cc: The Honorable Hugh Lee Harrell, Chief Judge
Dr. Linda Millsaps, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia



Rhonda T. Vaughn
Clerk of Circuit Court

Floyd County Circuit Court

100 East Main Street, Room 200
Floyd, VA 24091
(540) 745-9330 (540) 745-9303-Facsimile



Joan M. Slusher, Deputy
Lynda R. Wilson, Deputy
Jennifer P. Marshall, Deputy

July 19, 2023

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

RE: Corrective Action Plan for Audit Report

Dear Ms. Henshaw:

I have reviewed the Audit Report for the period of January 1, 2022, through March 31, 2023, and appreciate the opportunity to provide this formal response to the audit findings, as set forth below.

Properly Bill and Collect Probate Taxes and Fees

In the finding of failure to bill and collect additional probate taxes, the Clerk acknowledges the finding and would like to clarify that the additional probate taxes in the amount of \$337.00 were paid by the executor on June 1, 2023. The remaining \$22.00 due was an oversight of failing to charge recording fee of the will and a transfer fee. Notice of the additional funds due has been sent to the Executor.

Probate training has been scheduled for office staff in August and September to further implement proper procedures.

Retain Voided Receipts

In the finding of two of nine voided receipts tested, the Clerk acknowledges the finding and would like to clarify that in neither of the reported instances was fraud or inappropriate activity identified on the part of the Clerk or any of her staff.

Where possible, we correct errors by Journal Entries. However, one of the void receipts was from an e-recorded document. By verification of OES, there is no other way to correct a receipting error in this instance other than voiding the receipt. A "copy" of the receipt was printed, marked VOID and the correct journal voucher entered.

All employees have been reminded that all receipt copies are required if a transaction needs to be voided.

I appreciate the expertise and courtesy extended to this office during the audit process. Please contact me if you have any questions or concerns.

Sincerely,

[Signature on File](#)

Rhohda T. Vaughn, Clerk

