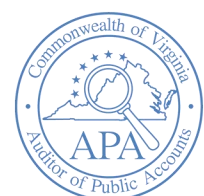




ROY C. MAYO, III
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF AMHERST

REPORT ON AUDIT
FOR THE PERIOD
OCTOBER 1, 2013 THROUGH MARCH 31, 2015

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(804) 225-3350



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.

Record Restitution in the Financial Accounting System

The Clerk did not record court ordered restitution, totaling \$52,743, in the financial accounting system. Beginning in January 2015, the Clerk became responsible for receipting and disbursing restitution. The Clerk currently uses a manual system to track unpaid restitution accounts. The Clerk should immediately begin entering all restitution receivable accounts into the accounting system as recommended by the Financial Management System User's Guide.

Escheat Unclaimed Property (Repeat)

Although the Clerk did escheat some unclaimed property during the audit period, he did not remit eligible funds totaling \$9,699 to the Division of Unclaimed Property. The Clerk should remit all unclaimed property to the Division of Unclaimed Property as required by Section 55-210.26:1 of the Code of Virginia.

Properly Collect Taxes and Fees on Wills

The Clerk did not bill two estates for additional state probate taxes of \$269 after receiving the final inventories. In addition, for three estates, the Clerk did not record the affidavits of notice in the will book and collect the applicable recording fees totaling \$48.

The Clerk should bill the estates noted above for the additional state probate taxes due based on the final inventories. Further, the Clerk should record affidavits of notice in the will book and collect the recording fees 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

August 25, 2015

The Honorable Roy C. Mayo, III
Clerk of the Circuit Court
County of Amherst

David W. Pugh, Jr., Board Chairman
County of Amherst

Audit Period: October 1, 2013 through March 31, 2015
Court System: County of Amherst

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 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 response and written corrective action plan to remediate these matters 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

MSM:alh

cc: The Honorable John T. Cook, Chief Judge
Dean C. Rodgers, 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

COMMONWEALTH OF VIRGINIA
AUDITOR OF PUBLIC ACCOUNTS
INTERDEPARTMENTAL MEMORANDUM

MP # 2
AUDIT AREA: C009 Mar 2015 Amherst Program.docx
W/P REF: Step 13

TO: Roy C. Mayo, III, Clerk of the Circuit Court of Amherst County
FROM: Randall Johnson, Audit Team Leader
DATE: July 13, 2015
SUBJECT: Possible Management Letter Comment

We have identified certain practices or conditions that are being considered for inclusion in your audit report. Please review the finding below and provide us with a written response as to whether you believe the facts are correct no later than July 15, 2015.

Repeat Finding from Prior Year	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
Internal Control Weakness	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
Compliance Finding	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO

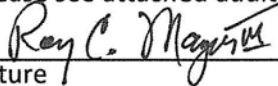
Properly Manage Liabilities and Trust Funds

The Clerk did not escheat unclaimed property totaling \$9,699 as required by Section 55-210.26:1 of the Code of Virginia. Additionally, the Clerk misclassified a trust fund account totaling \$16,063 as a law deposit in the automated accounting system.

The Clerk indicated he had not performed the necessary and required research to determine eligibility to remit the above accounts. The Clerk should remit these funds to the Division of Unclaimed Property as required by the Code of Virginia. The Clerk corrected the misclassification of the trust fund after we brought it to his attention.

☒ I concur with the above finding.

☒ Please see attached additional information.


Signature

7/15/15
Date

These accounts have been deemed to be eligible, and have been escheated to the Division of Unclaimed Property.

August 6, 2015

COUNTY OF AMERST

RESPONSE AND CORRECTIVE ACTION PLAN

Record Restitution in the Financial Accounting System: The Clerk currently has only seven active restitution accounts. The Clerk will immediately begin entering restitution accounts into the Financial Management System.

Escheat Unclaimed Property: The Clerk does not concur with the finding that this is a "repeat" finding. The senior APA auditor who performed the audit here, did not find this issue to be a repeat finding, as shown on the attached Memorandum. The accounts identified as being eligible to be sent to Unclaimed Property in last year's audit were sent to Unclaimed Property during the course of that audit. The newly identified accounts in this year's audit, were not identified in last year's audit, and have not been reviewed for eligibility (due diligence) , but have been sent to Unclaimed Property. The Clerk filed two Reports of Unclaimed Property, after due diligence, with the Unclaimed Property Division in the last report period. The Clerk will continue to send eligible accounts to Unclaimed Property.

Properly Collect Taxes on Wills: The two accounts identified were billed for the additional probate taxes during the course of the audit. The Affidavit of Notice of Estate will be recorded in the Will Book, and an additional \$16.00 recording fee will be assessed to the estates.