

**LOIS S. RALSTON
CLERK OF THE CIRCUIT COURT
OF THE
COUNTY OF HIGHLAND**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2009 THROUGH MARCH 31, 2010**



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

June 10, 2010

The Honorable Lois S. Ralston
Clerk of the Circuit Court
County of Highland

Board of Supervisors
County of Highland

Audit Period: January 1, 2009 through March 31, 2010
Court System: County of Highland

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.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment 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
Roberta Lambert, 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

We noted the following matter 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.

IMPROVE ACCOUNTS RECEIVABLE MANAGEMENT

The Clerk does not have anyone certified on the Integrated Revenue Management System (IRMS) and therefore cannot use the Tax Set-Off program to intercept refunds to pay delinquent fines and cost. Section 58.1-520 of the Code of Virginia, directs that "all state agencies and institutions shall participate in this program." The Clerk should immediately seek certification and have at least one other employee receive this certification. The Tax Set-Off program is an important process in collecting delinquent debts owed to your court.

Lois S. Ralston
Clerk
William K. Ellenburg
Deputy Clerk
Doris Folks
Deputy Clerk



Highland County Circuit Court
165 West Main Street
PO Box 190
Monterey VA 24465

Telephone (540) 468-2447
Facsimile (540) 468-3447

May 18, 2010

Linda Gray
3937 Leaksville Road
Luray, VA 22835

Dear Linda,

Bill Ellenburg and I will be contacting the department at IRMS this week so that we both can take the necessary training to be certified on that system.

Sincerely,
Highland County Circuit Court

Lois Ralston, Clerk

Lois Ralston, Clerk