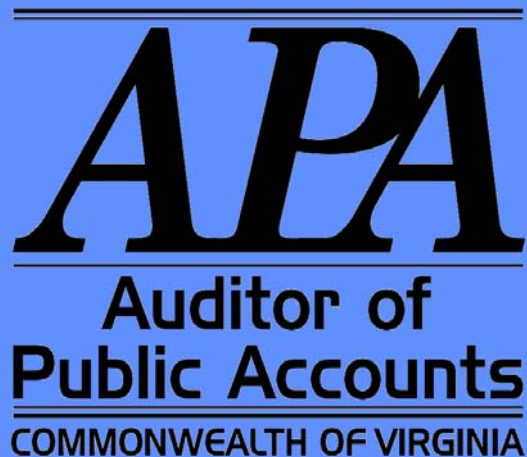


**PEGGY WALTON  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF MIDDLESEX**

**REPORT ON AUDIT  
FOR THE PERIOD  
JANUARY 1, 2011 TO DECEMBER 31, 2011**



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## 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.

### Request Tax Set Off Refunds

The Clerk did not request the Virginia Department of Taxation (TAX) hold tax set-off refunds totaling \$536 for individuals that owe delinquent court costs and fines, resulting in a loss of revenue to the Commonwealth and locality. A court must request tax refunds through TAX's automated accounting system called the Integrated Revenue Management System. The Clerk should request tax set-off refunds to maximize collections as required by Section 58.1-524 (A) of the Code of Virginia.



# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

May 11, 2012

The Honorable Peggy Walton  
Clerk of the Circuit Court  
County of Middlesex

Wayne Jessie, Board Chairman  
County of Middlesex

Audit Period: January 1, 2011 to December 31, 2011  
Court System: County of Middlesex

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 Bruce Long, Chief Judge  
Charles Culley, 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

R. BRUCE LONG, Judge



PEGGY W. WALTON, Clerk  
LYNN L. DUNLEVY, Deputy  
KAITLYN N. AUSTIN, Deputy

PHONE 804-758-5317  
FAX 804-758-8637

## County of Middlesex Circuit Court

P.O. BOX 158  
SALUDA, VIRGINIA 23149

April 23, 2012

Auditor of Public Accounts  
Karen Helderman, Circuit Court Director  
P.O. Box 1295  
Richmond, Va. 23218

Re: Corrective Action Plan

Dear Ms. Helderman:

I am sorry this is late, but I have been out of the office, and just returned.

I concur with the findings of my 2012 audit, and my corrective plan is to have Ms. Lynn Dunlevy trained in the IRMS Program, so that she can do these when I'm not here. It is no excuse, but I was on vacation when I received the notices, and by the time I got back, they had defaulted.

If you have any questions, please don't hesitate to call me.

Sincerely yours,

Peggy W. Walton,  
Clerk

APR 26 '12 PM3:15