



DENISE B. ESTEP
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF SHENANDOAH

REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2013 THROUGH JUNE 30, 2014

Auditor of Public Accounts
Martha S. Mavredes, CPA
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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.

Monitor and Disburse Liabilities

The Clerk does not properly monitor and disburse liabilities. Specifically, the Clerk holds funds from bonds, refund accounts and restitution longer than is appropriate. These funds should be researched and disbursed to defendants immediately upon completion of a case or according to the Code of Virginia. In addition, when appropriate, the Clerk should escheat unclaimed liabilities to the Division of Unclaimed Property.

The Clerk should monitor all accounts and promptly disburse funds. Failure to monitor funds held for others could result in inaccurate reporting to the Commonwealth and excessive delays in disbursements.

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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 18, 2014

The Honorable Denise B. Estep
Clerk of the Circuit Court
County of Shenandoah

David E. Ferguson, Chairman
County of Shenandoah

Audit Period: April 1, 2013 through June 30, 2014
Court System: County of Shenandoah

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 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.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior year that are not repeated in this letter.

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

MSM:alh

cc: The Honorable Thomas J. Wilson, IV, Chief Judge
Mary T. Price, 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



SHENANDOAH COUNTY CIRCUIT COURT

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DENISE B. ESTEP, CLERK

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Karla S. Ortts
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Daphne E. Bright
Diana J. Breeden
Deirdre L. Dillon

August 14, 2014

Martha Mavredes
Auditor of Public Accounts
P.O. Box 1295
Richmond, Va 22318

RE: Audit Period 04/01/2013 thru 06/31/2014
Response to Audit Report

Monitor and Disburse Liabilities

In a perfect world, the bookkeeper (Chief Deputy Clerk in this office) would only be handling financial responsibilities in the Clerk's office. Due to short staffing and increasing workload, in this office, it is not possible and be expected to provide prompt and courteous services to the citizens of this county.

We will strive to review individual liability accounts (BR08) on a much closer time line to disburse bonds, refund accounts and restitution. We will also strive to review the Unclaimed Property Report (CR16) and disburse all appropriate funds being held to the State. We are currently working on this years unclaimed property and restitution reports and will be remitting all funds eligible.

Sincerely,

Denise B. Estep, Clerk