

**M. WAYNE WINEBRINER  
CLERK OF THE CIRCUIT COURT  
OF THE  
COUNTY OF BATH**

**REPORT ON AUDIT  
FOR THE PERIOD  
OCTOBER 1, 2008 THROUGH DECEMBER 31, 2009**





# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

April 1, 2010

The Honorable M. Wayne Winebriner  
Clerk of the Circuit Court  
County of Bath

Board of Supervisors  
County of Bath

Audit Period: October 1, 2008 through December 31, 2009  
Court System: County of Bath

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 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

WJK:alh

cc: The Honorable Humes J. Franklin, Jr., Chief Judge  
Bonnie Johnson, 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 matters involving internal control and its operation that have led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### Properly Manage Trust Fund

The Clerk does not properly reconcile and report his trust fund account. Specifically we noted the following errors:

- The Clerk for five months delayed posting interest totaling \$466 to an individual account after receiving notification from the bank.
- The Clerk did not file an annual report with the court as required by Section 8.01-600 (G) of the Code of Virginia.
- The automated record indexing and imaging system did not contain the most recent annual trust fund report as required by Section 8.01-600 (G) of the Code of Virginia.

The Clerk should promptly record interest in the court's automated accounting system. Further, the Clerk should file and record the annual trust fund report in accordance with the Code of Virginia.

### Properly Reconcile Hunting and Fishing Sales

The Clerk is not properly reconciling his hunting and fishing licenses fees to the total sales per the Department of Game and Inland Fisheries. As of December 2009, the Clerk has an unidentified difference of \$449 in the court's automated accounting system. The Clerk should resolve all differences immediately when he reconciles the system balance to the monthly invoice from the Department of Game and Inland Fisheries. Allowing items to go unreconciled can lead to errors and irregularities going undetected and increases the risk of loss of funds.

### Properly Reconcile Bank Account

Since April 2009, the Clerk has not properly reconciled his bank account, by not resolving and correcting reconciling items. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. We recommend the Clerk request additional training in preparing the monthly bank reconciliation.

### Improve Accounts Receivable Management

The Clerk could not provide supporting documentation for payment due dates in three of 15 cases tested. If defendants cannot pay their fines and court costs within 15 days of sentencing, Section 19.2-354 of the Code of Virginia requires a court order or payment agreement. Improper payment due dates hinder collection efforts and could also result in a loss of revenue for both the Commonwealth and the locality.

OFFICE OF THE CLERK  
M. WAYNE WINEBRINER  
BATH COUNTY CIRCUIT COURT  
PO BOX 180  
WARM SPRINGS, VA 24484

April 26, 2010

Mr. Walter J. Kucharski  
Auditor of Public Accounts  
P. O. Box 1295  
Richmond, Virginia 23218-1295

Dear Mr. Kucharski:

I received the audit report from Randy Johnson and do appreciate his telephone call to discuss the issues before doing his report. Needless to say, I am very shocked and embarrassed with this report after receiving a clean report in December 30, 2008.

I do realize we have issues that must be corrected, and then strive to prevent them from happening again.

Properly Reconcile Hunting and Fishing Sales

I did not realize that the fishing and hunting licenses fees did not balance with our accounting system. This is definitely a serious oversight on my part. At the time of the audit, we were told that the fees did not balance. We then reconciled the fees beginning with 2008, although it had previously been audited. The errors that we found in 2008 and 2009 were done at the end of day when we do a journal voucher to enter the fees into the accounting system, and in error we used a wrong code. Therefore, no money was missing, but some amounts had been given to an incorrect code. Journal entries were made to correct these mistakes. We are now reconciling the fishing and hunting licenses fees monthly with the accounting system.

Properly Reconcile Bank Account

The bank statements were reconciled with the checkbook each month. However, the journal entries to make the adjustments were not made in the accounting system. I realize this is not acceptable and that any errors should be corrected monthly, instead of holding them over until the following month. In the future, after reconciling the bank statement, any errors will be corrected before the next month begins.

#### Improve Accounts Receivable Management

We always have the defendant sign a payment agreement as soon as the trial is completed. I only saw one of the three cases that were in error. This was a 2006 case and the defendant was being sent to jail for one year and then be placed on probation. He signed the agreement, but did not enter the amount that he was going to pay each month. I should have noticed the omission, but it was simply an oversight. Since the audit, we have discussed payment plans with our judge, the Honorable Humes J. Franklin, Jr. Defendants will be responsible to pay all court fines and costs by the end of their probation period.

#### Properly Manage Trust Fund

Delaying posting the interest to an individual account is not the correct way to handle it. Beginning with the next interest statement received on the Trust Fund account, it will be posted as soon as it is received in this office.

The annual BR30 report should be filed with the Court after June 30. I failed to run this report simply because I did not note it in my calendar. In order for this mistake not to be repeated, my two deputies and I have noted in our calendars a reminder to run this report.

At this time, we do not scan and index the annual BR30 report. Until we are ready to add this indexing to our system, we will microfilm the annual report and file it in the Trust Fund Book.

I hope I have given you practical solutions to the issues that were addressed in the audit letter of Randy Johnson. Should you have any further questions or concerns, please do not hesitate to contact me.

Yours truly,



M. Wayne Winebriner  
Clerk