



V. EARL STANLEY, JR.
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF BRUNSWICK

REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2012 THROUGH DECEMBER 31, 2013

Auditor of Public Accounts
Martha S. Mavredes, CPA
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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.

Promptly Establish Receivables

The Clerk did not establish accounts receivable for criminal cases in a timely manner. Specifically, we noted delays of up to 24 months. In order to maximize collections, the Clerk should establish a receivable immediately upon a defendant's conviction.

Request Tax Set-Off Refunds

The Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax set-off of refunds totaling \$361 for delinquent court costs and fines resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off of tax refunds through TAX's automated accounting system, Integrated Revenue Management System. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Remit Unclaimed Property

The Clerk did not remit unclaimed property to the State Treasurer as required by the Code of Virginia. Our review of court records revealed accounts, totaling \$4,337, which are potentially eligible for escheatment. The Clerk should monitor and disburse liabilities on a continual basis. When accounts remain unclaimed, the Clerk should remit the funds to the state as unclaimed property in accordance with Sections 55-210.9:1, 55-210.12 and 19.2-305.1 (F) of the Code of Virginia.

Assess Court-Appointed Attorney Fees

The Clerk does not properly assess court-appointed attorney fees as required by Section 19.2-163 of the Code of Virginia. We noted errors totaling \$892, which represent a loss of revenue to the Commonwealth. We recommend the Clerk research all similar cases, make the appropriate corrections to the case paperwork, and assess the correct amount of attorney fees for each case.

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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

May 29, 2014

The Honorable V. Earl Stanley, Jr.
Clerk of the Circuit Court
County of Brunswick

Bernard L. Jones Sr., Chairman Board of Supervisors
County of Brunswick

Audit Period: April 1, 2012 through December 31, 2013
Court System: County of Brunswick

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 matter 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 W. Allan Sharrett, Chief Judge
Dr. Charlette T. Woolridge, 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

BRUNSWICK COUNTY
Office of the Circuit Court Clerk

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V. EARL STANLEY, JR., CLERK
ANN M. CONNELL, CHIEF DEPUTY

CHERYL C. HOWERTON, DEPUTY
JACQUELINE S. MORGAN, DEPUTY

May 24, 2014

Martha S. Mavredes, CPA
Auditor of Public Accounts
Commonwealth of Virginia
Post Office Box 1295
Richmond, Virginia 23218

Audit Period: April 1, 2012 through December 31, 2013
Court System: County of Brunswick

Dear Ms. Mavredes,

Tracy Vaughan, Team Leader/ Senior Specialist performed the audit of my office for the above-stated period. Pursuant to her instructions, I am sending this letter as my response and corrective action plan to the "COMMENTS TO MANAGAMENT" section of the audit report.

First Comment: Promptly Establish Receivables

Subsequent to the audit, before this letter was sent, account receivables were established for the subject criminal cases. One defendant has paid his account in full. Others have been notified of their debt and are making payments. There has been no loss of revenue.

Additionally, similar cases were reviewed. None were found for which an account receivable needed to be established.

The deputy clerk I previously assigned to check behind the deputy clerk handling criminal cases, retired July 31, 2013. I have assigned this responsibility to a new deputy clerk. The purpose of this assignment is to ensure all financial data, for each case, has been entered into the system.

Second Comment: Request Tax Set-Off Refunds

It is true this office did not finalize a set-off claim against one defendant in the amount of \$361. However, the defendant is aware of his debt and has been making payments. There has been no loss of revenue.

I shall assist my deputy who handles tax set-off in monitoring claims to be sent to the Virginia Department of Taxation through the Integrated Revenue Management System.

Third Comment: Report Unclaimed Property

I am aware unclaimed property is to be reported and submitted to the Treasurer of Virginia. Subsequent to the audit, before this letter was sent, the funds in question have been escheated to the Commonwealth.

The deputy who handled unclaimed property was promoted to another position on August 01, 2013. She replaced a deputy who retired. A new deputy was hired. She was to be trained to handle unclaimed property by the deputy promoted. Unfortunately, the training was not performed, and the filing deadline passed.

My new deputy and I have discussed this issue. She is being thoroughly trained, and both of us will be responsible for monitoring future deadlines as to when funds must be escheated.

Fourth Comment: Assess Court Appointed Attorneys Fees

The three cases in which court appointed attorneys were not properly assessed were corrected before this letter was sent. There was no loss of revenue to the Commonwealth. My Chief Deputy and I are in the process of checking similar cases to ensure the correct amount has of attorney fees have been assessed for each case.

I am assigning a deputy clerk to check behind the deputy clerk handling criminal cases, after each session of criminal court. Hopefully, such action will ensure all financial data, for each case, will be entered into the system.

I appreciate the responsibility and duties of the Auditor of Public Accounts. Your office is necessary to protect the interests of the taxpayers of the Commonwealth. Over the twenty-two years I have been audited as circuit court clerk, auditors from your office have been courteous, knowledgeable (for the most part), and helpful.

However, during the subject audit, I had to smile at what was reported in the initial audit findings for my office. The auditor wrote, "The clerk failed to ensure the 2013 Annual Report [trust funds] contained accurate information. During testwork, we noted there was a \$330 difference between the amount stated on the report and the amount in the bank..."

This information surprised me, since I checked the Annual Report against the amount in the bank. I so advised the auditor. She assured me she had spent several hours on this issue before her finding was made.

I researched the issue and learned the auditor was attempting to reconcile the May 2013 Monthly Bank Report with the Financial Management System (FMS) Annual Report for the fiscal year, which included transaction in June 2013. Once the proper documentation was reviewed, it was seen the FMS Annual Report was correct and balanced with the June 2013 Bank Report.

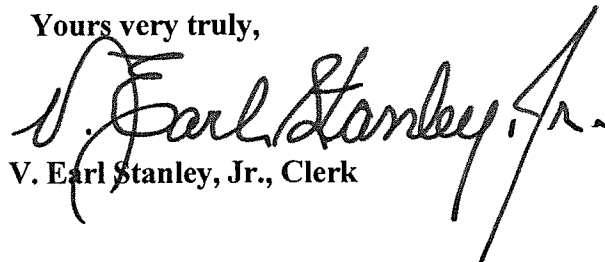
Obviously, the auditor made a mistake. It was corrected. To my knowledge, she was not "written up" for her actions or reprimanded in any way. Nor, does she need to be. It was a mistake.

My point is unless a clerk, or his or her staff, makes a first time mistake, which actually causes the Commonwealth or county to lose funds, in my opinion, a written record of the mistake is not necessary.

I appreciate the professional and courteous manner in which Tracy Vaughan conducted our audit. She is an asset to your staff.

We shall work diligently to correct the concerns set forth in the audit.

Yours very truly,

A handwritten signature in black ink, appearing to read "V. Earl Stanley, Jr.", with a long, sweeping flourish extending from the end of the signature.

V. Earl Stanley, Jr., Clerk

VESjr/s