



**JUDY S. SMYTHERS  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF NELSON**

**REPORT ON AUDIT  
FOR THE PERIOD  
JANUARY 1, 2012 THROUGH JUNE 30, 2013**

## 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.

### Properly Bill and Manage Accounts Receivable

The Clerk and her staff did not properly bill and manage accounts receivable. In 15 of 39 cases tested, we noted the following errors:

- Tried In Absence fees of \$105 certified by the District court were not charged to the defendants.
- An attorney supplement waiver fee of \$202 was incorrectly charged to a defendant.
- For one case, the defendant was given additional time to pay fines and costs without supporting documentation, such as a signed payment agreement.
- Defendants were overcharged court costs of \$2,875 and attorney fees of \$100.
- Defendants were undercharged court costs of \$31.

The Clerk should correct these specific cases noted above. Further, the Clerk should work with her staff to ensure they understand the billing and collection requirements and, if necessary, request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

- TABLE OF CONTENTS -

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	2-3



# Commonwealth of Virginia

## Auditor of Public Accounts

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

September 20, 2013

The Honorable Judy S. Smythers  
Clerk of the Circuit Court  
County of Nelson

Thomas H. Bruguere, Jr., Chairman  
County of Nelson

Audit Period: January 1, 2012 through June 30, 2013  
Court System: County of Nelson

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 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

MSM:alh

cc: The Honorable John T. Cook, Chief Judge  
Stephen A. Carter, 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



OFFICE OF THE CLERK  
CIRCUIT COURT OF NELSON COUNTY  
84 COURTHOUSE SQUARE, FIRST FLOOR  
POST OFFICE BOX 10  
LOVINGSTON, VIRGINIA 22949

J. MICHAEL GAMBLE  
JUDGE  
JUDY S. SMYTHERS  
CLERK

TELEPHONE  
(434) 263-7020  
FACSIMILE  
(434) 263-7027

August 19, 2013

Ms. Martha Mavredes  
Auditor of Public Accounts  
P. O. Box 1295  
Richmond, VA 23218

RE: Audit – Nelson County Circuit Court

Dear Ms. Mavredes:

I am writing to you in response to the draft audit report, dated August 19, 2013, provided to me today, regarding the Audit of the Nelson County Circuit Court.

**I immediately took corrective action to rectify the problems with the accounts brought to my attention. Procedures were implemented to make certain these errors do not occur in the future.** The specific steps taken for each issue were addressed in my letter of July 19, 2013, to Ms. Laurie Hicks, a copy of which is attached.

The statement "...errors were found in 15 of 39 cases tested..." does not indicate that the same error was repeated – there were not 15 different accounting errors. The \$2,875 overcharge resulted for Defendants with multiple offenses (one having 39) where certain fees were assessed per offense rather than for only one offense. There were only nine (9) individual Defendants involved in the total, all of whom had multiple charges. **ALL OF THESE WERE ACTIVE CASES AND HAVE BEEN FULLY CORRECTED.**

I am asking that you please take into consideration the effort I have made, and will continue to make, (as set forth in my letter) to correct the errors which were brought to my attention. I have not only corrected the cases listed in the report, but we continue to review all cases which have outstanding balances to make certain that none of these errors were made on those accounts.

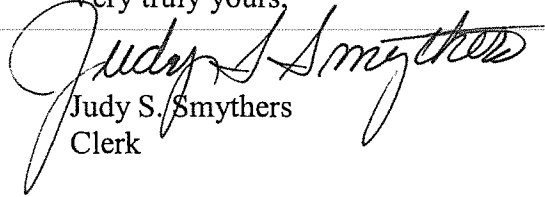
Ms. Martha Mavredes  
Page Two  
August 19, 2013

I would greatly appreciate an opportunity to answer any questions you may have.

Thank you very much for your consideration of my explanation.

Very truly yours,

---



Judy S. Smythers  
Clerk

Jss/Enc.