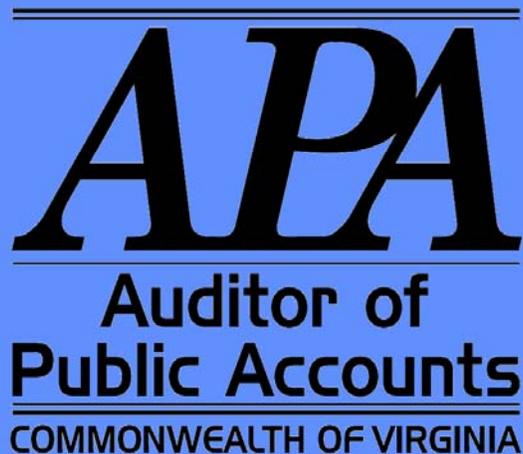


**ANN S. McREYNOLDS
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF RUSSELL**

**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

March 2, 2010

The Honorable Ann S. McReynolds
Clerk of the Circuit Court
County of Russell

Board of Supervisors
County of Russell

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

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 Teresa M. Chafin, Chief Judge
James Gillespie, 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 has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Escheat Restitution

The Clerk did not report unclaimed restitution totaling \$449 to the Criminal Injuries Compensation Fund as required by Section 19.2-305.1 (F) of the Code of Virginia. The Clerk should perform due diligence procedures and send unclaimed restitution to the appropriate fund as required by the Code of Virginia.

Improve Accounts Receivable Management

The Clerk assigns an arbitrary payment due date of 2030 when defendants enter into a community service program to repay delinquent fines and costs. 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. Improperly providing an extended payment due date could result in a loss of revenue to the Commonwealth and the locality.

County of Russell

Kerry R. Williams
Judge

Michael L. Moore
Judge

Henry A. Vanover
Judge

Teresa M Chaffin
Judge



Clerk's Office

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Ann S. McReynolds
Clerk

Deputies
Vickie Colley
Jennifer Kendrick
Sheila Ketron
Jaime Puckett

March 11, 2010

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

Dear Mr. Kucharski:

With regard to the recent audit of our office, Russell County Circuit Court, we would like to notify you of the actions we have taken.

With regard to the management point on the escheatment of unclaimed restitution, this matter has now been resolved. Our office paid the outstanding funds in question into the Criminal Injuries Compensation Fund on March 3, 2010. (Please see attached copies of receipts for said disbursements.)

With regard to the management point on entry of community service into our Financial Management System, this has now also been resolved. The Circuit Court Judge has now entered an Order allowing the Clerk's office to enter an extended date for the performance of community service work. (Please see attached copy of court order.)

If we can be of additional assistance to your office, please do not hesitate to contact us.

Sincerely,

Ann S. McReynolds
Clerk