



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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May 19, 2004

The Honorable Hayden H. Horney
Clerk of the Circuit Court
County of Wythe

Board of Supervisors
County of Wythe

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Wythe for the period January 1, 2003 through December 31, 2003.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Trust Funds Management

The Clerk did not invest funds on two trust accounts within sixty days of receipt as required by §8.01-600 of the Code of Virginia. Specifically, we noted the following:

- One account for \$12,900 remained uninvested for over twelve months.
- An account for \$12,250 remained uninvested at the end of the audit, over 5 months since its receipt.

The Chief Judge should review the Clerk's performance in this area to determine if the Clerk is personally liable for the loss of income on these accounts. The Clerk should invest all trust funds promptly as required by Section 8.01-600 of the Code of Virginia. Failure to do so could result in the Clerk incurring personal liability for the interest not earned on the funds.

Monitor and Disburse Liability Accounts

The Clerk did not monitor and perform due diligence to disburse unclaimed property to the State Treasurer as required by Sections 55-210.9:2 and 55-210-12 of the Code of Virginia. Specifically, we noted the following:

- The Clerk did not report two trust fund accounts for \$12,900 and \$3,500 as unclaimed property by November 1, 2003.
- The court had a Chancery deposit for \$2,300 not reported as unclaimed property.

The Clerk should review all liabilities and outstanding balances annually and send all eligible funds to the Division of Unclaimed Property.

Promptly Docket and Index Judgments

As noted in the previous audit, the Clerk does not record all unpaid fines and cost promptly in the court's Judgment Lien Docket as required by Section 8.01-446 of the Code of Virginia. We noted delays of up to 21 days after the trial date. Additionally, four of the 20 cases tested were not entered into the Judgment Lien automated index until the after the auditors brought it to the Court's attention. To maximize the opportunity for the collection of delinquent fines and costs, the Clerk should record the judgment lien information without delay.

We discussed these comments with the Clerk on April 22, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Ray W. Grubbs, Chief Judge
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Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
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