



Commonwealth of Virginia

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**Auditor of Public Accounts
P.O. Box 1295
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June 2, 2004

The Honorable R. Bruce Long
Chief Judge
County of Charles City General District Court
PO Box 873
Gloucester, VA 23061-0873

The Honorable Isabel Hall Atlee
Chief Judge
County of Charles City Juvenile and
Domestic Relations District Court
PO Box 630
Gloucester, VA 23016-0630

Robert N. Baldwin
Executive Secretary
Supreme Court of Virginia
100 N. Ninth Street
Richmond, VA 23219

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Charles City District Court for the period January 1, 2002 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; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies, and we consider the following internal control issues significant both individually and when considered in total.

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AUDIT FINDINGS AND RECOMMENDATIONS

This court has experienced on-going issues related to the recording and maintenance of court and accounting records. As the enclosed response indicates, the Clerk does not have a plan to address the issues raised in this report. Therefore, we believe that both the Judges and the Office of the Executive Secretary of the Supreme Court need to coordinate their efforts to address these issues.

While, as stated elsewhere in the report we found no material problems, these issues if left unattended, place the court at risk. No single problem is a material internal control weakness; however, the combination of the issues and their on-going nature, raise concern that further problems could occur and remain undiscovered.

Improve Management of Court Operations

The results of our audit show that in many areas, the Clerk does not follow sound accounting and internal control procedures, especially those for recording and processing financial and case data in the court's automated systems. Incorrect or improper procedures noted during previous audits continue to reoccur. This indicates either a serious lack of understanding of basic bookkeeping procedures and the court's automated systems, or failure of the Clerk to effectively improve her management of court operations. Specifically, we found problems in the following areas.

Incorrect Data Entry and Untimely Corrective Action

We noted several problems caused by the Clerk incorrectly entering financial or case data in the court's automated systems. In one case, defendant had a charge dismissed but the Clerk failed to remove the court costs owed until two weeks later. Delaying the removal of costs could result in the unwarranted suspension of a defendant's driver's license as well as the account being unnecessarily subjected to delinquent collections action.

Often errors go undetected because there is no consistency in monitoring daily exceptions reports produced by the automated systems. Exceptions reports are very useful because they identify accounts requiring corrective action. For example, exception reports showed that the Clerk was holding restitution since March 2003 and yet the Clerk failed to disburse the funds until we brought it to her attention. Another exception showed where the Clerk mistakenly reassessed court costs to an inactive paid case and did not correct it until we brought it to her attention eleven months later. We noted additional errors remaining on the exception reports for up to 22 months without corrective action.

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Assessing Fines and Costs

As noted in previous audits, the Clerk does not appropriately assess and enter fines and court costs in the court's automated financial system. We noted assessment errors totaling \$1,208 in nine of 20 cases tested. Errors included failing to assess the court appointed attorney fee, improperly assessing the jail admission fee, failing to assess a \$300 fine imposed by the Judge, failing to assess the fixed misdemeanor fee, and continuing to record fines attributable to state offenses in local fines accounts. The Clerk needs to correctly assess fines and costs in accordance with the Code of Virginia. Additionally, although during court the Clerk properly writes fines and costs on individual warrants and summons, she sometimes fails to later record them correctly in the system. The Clerk needs to be more diligent when recording assessments from court documents to the system. Finally, she should apply fines owed to the state or locality as appropriate.

Processing Mail Payments

The Clerk does not process mail payments timely, causing the court to try some defendants incorrectly as "tried in absence" and assess extra fees because the Clerk failed to promptly credit their account for payments made. Then the Clerk must spend additional time and effort to correct these errors. In one case, the defendant's license was improperly suspended and the Clerk altered the fine and fee assessments in an endeavor to correct the oversight. The Clerk should process mail payments promptly so that adverse collection actions, unless appropriate, can be avoided.

Clerk's Response

The Clerk submitted the following written response to our audit findings:

I do not concur with the findings as stated in the enclosed report. The report is written as if I try to make the mistakes and errors while trying to do my job. I am constantly interrupted when I'm doing my work and I have to stop and start several things at any one given time. I agree I make mistakes but mistakes are not purposely made, and when I get the opportunity to fix them I do. I take every class offered by the Supreme Court when it comes to case management and accounts management. I am not a certified accountant and I call the Supreme Court for help when I have a problem that I am not sure of how to take care of. I have been without a deputy-clerk for more than half the year and I have not been able to find anyone that is willing to work at the rate of pay for the amount of responsibility it is in these offices. It takes considerable time to train someone only to have them leave after a few months. I am at a loss to fix what the auditors feel are problems when I have no assistance in this office. I do not feel reluctance is an accurate description of what I try to do in this office. I can only try to be more conscientious when doing anything in here and see if that helps. That will take time and time is the main problem.

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Given the Clerk's frustration with her apparent inability to take effective corrective action to the audit findings cited in this and previous reports, we recommend that the Supreme Court step in and provide the Clerk with immediate technical assistance and training in the time-saving aspects of the court's automated systems. When used properly, the court's financial and case management systems provide effective means to quickly process data critical to daily operations and enhance customer service. The Clerk's productivity and effectiveness would significantly increase if she had sufficient understanding to take full advantage of the efficiencies provided by the automated systems.

We discussed these findings with the Clerk and Judge Killilea at an exit conference held on June 2, 2004. We acknowledge the cooperation extended to us by the court during this engagement.



AUDITOR OF PUBLIC ACCOUNTS

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The Honorable James H. Smith, Judge
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1 Report File
1 Working Papers