

March 20, 2003

The Honorable Thomas R. Williams  
Clerk of the Circuit Court  
County of Charles City

Board of Supervisors  
County of Charles City

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Charles City for the period January 1, 2002 through December 31, 2002.

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.

#### Continue to Improve Knowledge of Accounting Procedures and System

The Clerk needs to increase his knowledge of proper accounting procedures and recording financial and case data in the Court's automated systems. Specifically, we found the following conditions.

- In 11 of 40 cases tested, the Clerk did not properly document due date changes as required by Section 19.2-354 of the Code of Virginia or comply with the payment terms as stated in the court order when setting up the accounts receivables in the system. We found that the Clerk continues to alter the due dates without appropriate supporting documentation. All fines and costs are payable immediately upon final case disposition unless otherwise ordered by the Court or evidenced by a written payment plan. Court staff should not alter due dates unless they have an established or revised payment agreement, so that the defendant understands their obligation to the Court. Additionally, the Clerk should update the Court's automated systems to reflect approved payment terms from a court order or other supporting documentation.

- In 10 of 41 cases tested, the Clerk did not properly enter fines and court cost assessments in the financial management system. Errors included failing to enter \$1,133 in attorney fees; improperly reducing the amount of restitution owed by co-defendants prior to it being paid in full; and improperly assessing restitution interest even though the defendant was making regular payments. We also noted incorrect assessments and differences in the amount of fines between the system and the court orders totaling another \$440. The Clerk should properly enter all assessments into the Court's automated systems.
- We noted numerous cashing errors due to court staff carelessness that required extensive time to research and correct in the system. Errors often remain unresolved and uncorrected until several months later. These types of errors can result in the incorrect crediting and disbursing of fines and fee revenue or restitution to the locality, state or individual.

As noted in previous reports, many of these weaknesses hinder the collection of fines, costs, and fees. The other exceptions noted show that the Clerk does not consistently apply proper accounting and system procedures to the daily activities of the Court.

We continue to encourage the Clerk to begin participating in FMS User Group Meetings, Regional Clerk meetings, and any other training offered by the Supreme Court to help increase his knowledge of accounting procedures in the automated environment. The Clerk should also implement procedures that require employees to perform adequate self-reviews of all financial entries before entering them in the accounting system. Without the appropriate knowledge, and subsequent enforcement of accounting and system procedures, the Clerk risks further non-compliance with state law and regulations as well as, increase his risk that errors or omissions in accounting records will go undetected and state and local fines and costs will go uncollected.

#### Enter Delinquent Fines and Costs in the Judgment Lien Docket

As noted in previous audits, the Clerk does not promptly enter all unpaid fines and costs in the Judgment Lien Docket as required by Section 8.01-446 of the Code of Virginia. In 12 of 20 unpaid cases tested, the Clerk entered judgments up to two months later. To maximize collections, the Clerk should promptly record all unpaid fines and costs in the Judgment Lien Docket Book.

#### Properly Report Trust Fund Information

When the Clerk prepared his latest annual trust fund report, he failed to include the total dollar amount of trust funds held and the anticipated distribution dates as required by Section 8.01-600 of the Code of Virginia. The Clerk should include all required information when reporting trust funds.

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Page Three

We discussed these comments with the Clerk on March 20, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Thomas B. Hoover, Chief Judge  
Angela Yancey, County Administrator  
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Compensation Board  
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