



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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April 30, 2004

The Honorable Barbara G. Decatur
Clerk of the Circuit Court
County of Stafford

Board of Supervisors
County of Stafford

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Stafford for the period January 1, 2003 through March 31, 2004.

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 that the Clerk needs to address as described below.

Strengthen Accounts Receivable Procedures

The Clerk should strengthen the office's procedures for managing accounts receivables. Specifically, we noted the following:

- In six of 20 cases tested, the Clerk failed to record delinquent fines and costs on criminal cases into the Judgment Lien Docket Book promptly or not at all. Section 8.01-446 of the Code of Virginia, requires clerks to record all judgments in the Judgment Lien Docket Book without delay.
- We also found that court staff did not calculate the correct due dates for the payment of fines and costs in four of 20 cases tested. Section 19.2-354 of the Code of Virginia requires that, absent a court order or a signed payment agreement, all fines and costs are payable immediately upon sentencing.

Properly managing accounts receivable is an important tool for collecting unpaid fines and fees. The Clerk should record delinquent accounts into the Judgment Lien Docket Book without delay and ensure staff properly calculate fine and fee payment due dates.

Properly Manage Manual Receipts

The Clerk does not consistently manage the issue and recording of manual receipts. We found instances where staff delayed recording manual receipts in the automated system for 13 to 50 days after issue, did not document manual receipt activity, or failed to retain the required number of copies as required by Chapter 10 of the Financial Management Systems User's Guide. Because of the varied operations in this court, several different employees may issue manual receipts when the automated system is unavailable.

In order to reduce the risk of the loss of funds and errors or omissions, the Clerk should train staff in the proper use of manual receipts and require their recording in the automated system the next business day. Staff should receive training in receipting procedures, and the Clerk should begin routinely monitoring manual receipt activity to include checking that staff record manual receipts in the automated system. The Clerk should also have staff document receipt activity in the daily reports; and keep the required number of copies of issued receipts for review.

We discussed these comments with the Clerk on April 30, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

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Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
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