

July 13, 2001

The Honorable Paul Garrett
Clerk of the Circuit Court
City of Charlottesville

City Council
City of Charlottesville

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Charlottesville for the period October 1, 1999 through March 31, 2001.

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 (a) weakness(es) in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Manual Receipt Documentation

The Clerk does not properly administer manual receipts. We found that court staff failed to list eight of nine receipts issued on the required form and did not retain receipt copies. The Financial Management System User's Guide requires the court to document manual receipt numbers and attach manual receipt copies to the daily financial report. We also found the Clerk did not issue manual receipts in numerical order.

The Clerk should ensure his staff properly issue manual receipts and appropriately enter these transactions into the automated system, which reduces the risk of fraud or misappropriation of funds. Further, the Clerk should have his staff issue manual receipts in numerical order to facilitate the inventory process.

Improve Receivables Management

The Clerk does not properly establish, monitor, or collect accounts receivable. Specifically, we found the following conditions:

- The Clerk does not promptly establish accounts in the automated system. In six of 15 cases tested, the Clerk did not establish the receivable in the automated system for 22 to 45 days after final case disposition.
- In 12 of 15 cases tested, the Clerk did not provide a notice of fine and costs within two-days as required by Code of Virginia § 46.2-395.

The above conditions inhibit the collection of accounts receivable. The Clerk should follow Supreme Court guidance and the Code of Virginia requirements when establishing and managing the court's accounts receivable.

We discussed these comments with the Clerk on July 11, 2001, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Edward L. Hogshire, Chief Judge
Gary O'Connell, City Manager
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
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