

June 28, 2001

The Honorable Paul M. Metzger  
Clerk of the Circuit Court  
County of Spotsylvania

Board of Supervisors  
County of Spotsylvania

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Spotsylvania for the period January 1, 2000 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 weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

#### Properly Maintain Manual Receipts

The Clerk did not properly account for manual receipts. We noted that four manual receipts were missing from the manual receipts books. The Clerk should properly secure and account for all manual receipts. Appropriate use and documentation of manual receipts ensures the proper entry of transactions in the automated system and reduces the risk of fraud or misappropriation of funds.

### Report Unclaimed Property

The Clerk did not report and submit unclaimed property held over one year to the State Treasurer for fiscal year 2000. The Code of Virginia, Section 55-210.12, requires the Clerk to file an Unclaimed Property Report to the State Treasurer on or before November 1 of each fiscal year. The Clerk should review all liabilities and outstanding checks annually and report amounts over one year old to the State Treasurer.

### Strengthen Accounts Receivable Procedures

The Clerk needs to further strengthen the management of the court's accounts receivable. We found the following conditions.

- In 13 of 15 cases tested, the Clerk delayed both establishing unpaid fines and costs accounts receivable in the accounting system and docketing them in the Judgment Lien Docket Book for up to 49 days. The Clerk should establish receivables on the automated system immediately upon final case disposition as required by the Financial Management User's Guide. Section 8.01-446 of the Code of Virginia states that the Clerk must enter the unpaid amounts into the Judgment Docket without delay.
- The Clerk did not properly assess fines and costs in two of 15 cases tested. In addition to the fixed felony fee, the Clerk assessed original court costs, which resulted in overstated fees and costs. Section 17.1-275.1 of the Code of Virginia states that upon conviction of each felony charge, the court shall only assess a \$348 fixed fee.
- In two of 15 cases tested, the Clerk did not properly document unpaid fines and costs payment due date changes as required by Section 19.2-354, of the Code of Virginia. All fines and costs are payable immediately upon final disposition unless otherwise ordered by the court or evidenced by a written payment agreement. The Clerk should maintain adequate documentation whenever unpaid fines and costs due dates are changed.

The above conditions slow the collections of account receivables. The Clerk continues to recognize the need to strengthen collections of accounts receivable as evidenced by the improvement since our last audit. The Clerk should continue his efforts to maximize all collection opportunities and manage accounts receivable in compliance with the Code of Virginia.

We discussed these comments with the Clerk on June 28, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Horace A. Revercomb, III, Chief Judge  
Douglas Walker, County Administrator  
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  
Supreme Court of Virginia

The Honorable Paul M. Metzger  
Clerk of the Circuit Court  
County of Spotsylvania  
P.O. Box 96  
Spotsylvania, VA 22553

The Honorable Horace A. Revercomb, III  
Chief Judge of the Circuit Court  
County of Spotsylvania  
P.O. Box 96  
Spotsylvania, VA 22553

Board of Supervisors  
County of Spotsylvania  
P.O. Box 99  
Spotsylvania, VA 22553-0099

Douglas Walker  
County Administrator  
County of Spotsylvania  
P.O. Box 99  
Spotsylvania, VA 22553-0099

Bruce Haynes, Executive Secretary  
Compensation Board  
202 North Ninth Street  
Richmond, VA 23219

Martin Watts, Court Analyst  
Supreme Court of Virginia  
North Ninth Street  
Richmond, VA 23219

Paul Delosh, Technical Assistance  
Supreme Court of Virginia  
North Ninth Street  
Richmond, VA 23219

Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
North Ninth Street  
Richmond, VA 23219

Director, Admin and Public Records  
Department of Accounts  
James Monroe Building  
2<sup>nd</sup> Floor

Admin File

Working Papers

**Commonwealth of  
Virginia  
Auditor of Public Accounts**

**James Monroe Building  
101 North 14<sup>th</sup> Street  
Richmond, Virginia 23219  
(804) 225-3350**

**TO: Paul M. Metzger, Clerk of the Circuit Court**

---

**Clerk Fax Number- 540-582-2169 Clerk Phone Number- 540-582-7090**

---

**FROM: Carol MacVaugh, Court Audit Supervisor**

---

**DATE: Tuesday, Sept 18th TIME: 2:00 pm**

---

**Number of pages including cover page: 4**

---

**CONFIDENTIAL FOR: Paul M. Metzger, Clerk**

**MESSAGE:** Enclosed is a **REVISED FINAL COPY** of our audit report. Based on your response to the original draft, the finding on reconciling trust funds has been dropped. Additionally, we revised the finding on accounts receivable to acknowledge the efforts to date on your behalf. This final version will be submitted for mailing on Monday, September 24, 2001. If you have any further questions, feel free to call me at (804)225-3350, ext 335.