



ANNETTE T. LOAN
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF BATH

FOR THE PERIOD
JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA
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COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Court Fines and Costs

The Clerk and her staff did not properly bill and collect court costs. In 27 cases tested, we noted the following errors.

- In four cases, the Clerk erroneously billed defendants \$1,908 in court costs.
- In six cases, the Clerk did not bill defendants for court appointed attorney fees of \$420 and court costs of \$28, resulting in a loss to the Commonwealth and Locality.
- In one case, the Clerk miscoded a fine of \$250 as state instead of local, resulting in a loss to the locality.
- In one case the Clerk did not record \$1,388 in amounts owed in the judgment lien indexing system for up to seven months.
- In ten cases, the Clerk erroneously changed or miscalculated due dates, inappropriately allowing defendants additional time to pay fines and costs in some cases and not allowing the agreed upon time in others.

The Clerk and her staff should correct the specific cases noted above and should establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with Code of Virginia. Further, to maximize the opportunity for the collection of delinquent fines and costs, the Clerk should record judgment lien information without delay as required by Section 8.01-446 of the Code of Virginia.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 17, 2017

The Honorable Annette T. Loan
Clerk of the Circuit Court
County of Bath

Richard Byrd, Board Chairman
County of Bath

Audit Period: January 1, 2016 through December 31, 2016
Court System: County of Bath

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality for the period noted above. 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.

Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Malfourd W. Trumbo, Chief Judge
Ashton N. Harrison, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

**BATH COUNTY CIRCUIT COURT
ANNETTE T. LOAN, CLERK
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WARM SPRINGS, VA 24484
540-839-7226 (Phone)
540-839-7248 (Fax)**

APRIL 5, 2017

**Ms. Martha S. Mavredes
Auditor of Public Accounts
P.O. Box 1295
Richmond, Va 23218-1295**

Dear Ms. Mavredes:

After receiving the audit report from Bonnie Patterson and Pam Williams, I requested to discuss the issues with Laurie Hicks. I appreciate having the opportunity to talk to Laurie with the audit issues.

Properly Bill and Collect Court Fines and Costs

As far as any additional court costs my Chief Deputy Clerk took immediate action and corrected the error or errors and showed to the auditors while they were still here that it had been taken care of by screen printing the case or cases. After the correction was made the judgment was also corrected and scanned into the public indexing system.

On the case or cases that the defendant's court appointed attorney fees were not billed to the defendant was corrected and billed immediately and put on the Judgment lien docket and scanned into the public indexing system. My Chief Deputy Clerk also took immediate action and made the correction by screen printing the case or cases. The screen shot was then taken to the auditors while they were still here.

On the case where the judgment did not show up in the judgment lien docket, the defendant was already assessed the costs. When the audit was performed it was found not to be scanned into the public indexing system. The defendant is incarcerated and was on an appeal to the Supreme Court of Virginia. When brought to our attention we printed

the judgment and scanned into the public index, as we were getting multiple fees to add on periodically.

On the case that was miscoded a fine of \$250.00 under code 110 should have gone under code 201. This is an appeal case from District Court. This office was not aware that the county adopted a local ordinance. If a local officer writes a ticket under 1-16 that if there is a fine it goes under code 201 and not under 110. We were made aware during our audit period. Our office has communicated with the current District Court Clerk and she is going to make note on the warrant or summons when one is appealed to the circuit court.

On the cases that were changed or miscalculated due dates, were changed to link additional cases that the defendant had, and not able to pay the minimum payment on each case. Also we were making the due date 30 days from trial date and not reflecting back to trial date that the 30 days was already built in with DMV. Unless ordered by the Judge of this court we will reflect due date back to the trial date unless a payment plan is in place. My staff and I have rewritten the payment agreement policy. I have attached a copy of this agreement signed by the Chief Judge of this court. I have also emailed a copy of this agreement to the Office of the Executive Secretary to post on our website.

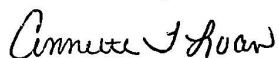
My staff and I have come up with a plan and check list to aid in resolving the issues and errors in billing and collecting fines and costs. I am a new clerk and I have new staff and we are working to strive on checking one another's work. We are inclosing a copy of our check list.

My office is a small court which includes 2 deputy clerks and myself as clerk. We are expected to know everything and be able to perform all duties of this office and not be assigned only 1 job. The larger courts has that advantage as they have the staffing to assign certain duties to each one of their deputies and they only have to keep up with the changes only to what they are assigned so it makes it easier for them to keep with changes as to opposed to the smaller courts.

I strongly believe that our office should be given a chance to show our dedication for improvements and the management point should not be given at this time.

Overall, I think our office does a fantastic job, and I am very proud of my staff and our accomplishments despite the ups and downs we have gone through this past year.

Thanks for your consideration



Annette T. Loan Clerk