



LLEZELLE A. DUGGER
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

FOR THE PERIOD
APRIL 1, 2018 THROUGH MARCH 31, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matters 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 Costs

Repeat: Yes (first issued in 2013)

The Clerk and her staff did not properly bill and collect court costs. In 25 cases tested, we noted the following errors.

- In two cases, defendants were overcharged a total of \$723 in court costs.
- In 13 cases, defendants were not billed \$708 in court costs.

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.

Reconcile Bank Accounts

Repeat: No

The Clerk did not reconcile two of the court's three checking accounts during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. The Clerk should perform complete monthly bank reconciliations for each account upon receiving the bank statements as required by the court's financial system user's guide.

Retain Voided Receipts

Repeat: No

In four of ten voided receipts tested, the Clerk did not retain all copies of the receipts. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should retain all copies of voided receipts as required by the financial system user's guide.

Properly Complete Manual Receipts

Repeat: No

In one of four manual receipts tested, the Clerk did not maintain the court's copy of the receipt, resulting in our inability to determine whether the receipt had been entered into the automated financial system. Manual receipts pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should ensure her staff completes manual receipts in their entirety and retains the court's copy.

Properly Utilize Financial Reports

Repeat: Yes, titled “Properly Review System Reports” (first issued in 2018)

The Clerk and her staff do not properly use available system reports to ensure all needed receivable accounts are established. The Commonwealth recovers the costs of prosecution when defendants pay the costs assessed by the Clerk. Upon conviction, the Clerk establishes a receivable account for the defendant. Using the system provided ‘Concluded Cases without Receivables’ report ensures the Clerk has established all appropriate accounts. The Clerk should request the reports for the audit period, review and establish any needed accounts, bill the defendants as needed, and implement procedures to ensure these reports are used efficiently on a monthly basis.

Publicly Post Payment Plan Policy

Repeat: No

The Clerk has not posted the court’s current official payment plan policy in the Clerk’s office or on the court’s website, as required by § 19.2-354 of the Code of Virginia. Posting this information ensures that defendants are aware of the court’s payment plan policies and aids in maximizing collection efforts. The Clerk should post the court’s current approved payment plan policy in accordance with 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

June 6, 2019

The Honorable Llezelle A. Dugger
Clerk of the Circuit Court
City of Charlottesville

Nikuyah Walker, Mayor
City of Charlottesville

Audit Period: April 1, 2018 through March 31, 2019
Court System: City of Charlottesville

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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled "Comments to Management." Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the Clerk and her staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:vks

cc: The Honorable Timothy K. Sanner, Chief Judge
Dr. Tarron J. Richardson, City Manager
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

**CIRCUIT COURT
CITY OF CHARLOTTESVILLE**

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July 1, 2019

Martha Mavredes
Auditor of Public Accounts
Commonwealth of Virginia
101 North 14th Street, 8th Floor
Richmond, VA 23219

RE: Corrective Action Plan
Charlottesville Circuit Court Clerk's Office
Audit Period: April 1, 2018 through March 31, 2019

Dear Ms. Mavredes,

This Corrective Action Plan responds to the Audit Report covering April 1, 2018 through March 31, 2019.

Properly Bill and Collect Court Costs

The specific cases noted have been reviewed, and where appropriate, corrected. I will continue my efforts to train the Deputy Clerks in my Criminal Division in this specific area. It should be noted that this Division has had the most frequent turnover in staff over the last three (3) years largely due to deputies taking higher paying jobs elsewhere.

Reconcile Bank Accounts

The two (2) bank accounts at issue will be reconciled. One of the unreconciled accounts is our old daily operations account. This account will be reconciled, the balance transferred to our current daily operations account (which is reconciled monthly), and closed.

Retain Voided Receipts

All copies of voided receipts will be retained.

Properly Complete Manual Receipts

Manual receipts will be properly completed.

Properly Utilize Financial Reports

Financial Reports will be properly utilized.

Publicly Post Payment Plan Policy

The Payment Plan Policy will be posted in accordance with Va. Code Section 19.2-354.

While audits by their very nature are stressful, the Audit Team was professional and courteous and made every effort not to disrupt the daily flow of business in our office. This was especially appreciated as the audited period included several high profile jury trials arising out of the events of August 12, 2017 (including the two-and-a-half week 1st Degree Murder jury trial, Commonwealth v. James Fields, where we started with a venire of over 350 jurors), numerous pre-trial hearings for the ongoing Statue Case, and the packing and moving of everything in our Courthouse to make way for much needed renovations. In conclusion, please convey my heartfelt thanks to the Audit Team.

Very truly yours,



Llezelle Agustin Dugger
Clerk of Court