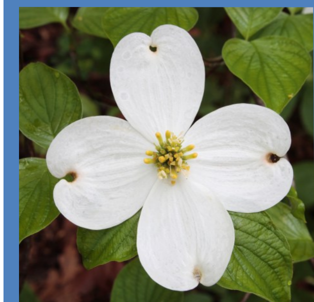


MAYTEE PARHAM

CLERK OF THE CIRCUIT COURT

FOR THE

CITY OF PETERSBURG

FOR THE PERIOD

JULY 1, 2024 THROUGH DECEMBER 31, 2025

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that have led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Promptly Deposit Collections
Repeat: Yes (First issued in 2023)

The Clerk did not promptly deposit court collections for seven of 37 (19%) days tested during the audit period, with delays of up to two months. Delaying bank deposits increases the risk of loss of funds and has the potential to delay the remittance of state and local funds. The Clerk should make bank deposits daily as required by the Financial Accounting System User's Guide.

Reconcile Bank Account
Repeat: Yes (First Issued in 2023 as Resolve Reconciling Items)

The Clerk did not reconcile the bank account 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 can increase the risk of loss of funds. The Clerk should immediately reconcile the bank account and, going forward, should reconcile the bank account upon receipt of the bank statement and record corrections and adjustments to the financial system timely.

Request Tax Set-Off Refunds
Repeat: Yes (First issued in 2021)

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax set-off of refunds for delinquent court fines and costs totaling $1,391, resulting in a loss of revenue to the Commonwealth and locality. Section 58.1-521 of the Code of Virginia requires that all courts use the tax set-off program to collect unpaid fines and costs. Courts must submit claims for set-off of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Establish Receivable Accounts Timely
Repeat: No

The Clerk and her staff did not establish receivable accounts timely for ten of 15 (67%) cases tested, resulting in a potential loss of $7,497 to the Commonwealth and $350 to the locality. Since the Commonwealth and locality recover the costs of prosecution when defendants pay the costs the Clerk assesses, the Clerk should establish receivable accounts as soon as possible after conviction.

The court's automated system provides reports, such as the Concluded Cases without Receivables Report, which assist the Clerk in identifying cases that do not have corresponding receivable accounts. The Clerk should request this report for the audit period, review and establish any needed accounts, and bill the defendants. Going forward, the Clerk should review the report monthly and establish receivable accounts, as applicable.

Update Individual Receivable Accounts Status

Repeat: No

The Clerk and her staff do not monitor and correct accounts listed on the Individual Receivable Account Status Report. Currently, there are ten accounts listed as “estate,” one account listed as “account under review,” and two restitution accounts listed as “sum uncertain” for which the court order reflects a known restitution amount. These accounts have been listed on the report since July 2024. The Clerk should review the accounts noted and take appropriate action. Going forward, the Clerk should review this report daily and take appropriate action as needed.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 31, 2026

The Honorable Maytee Parham
Clerk of the Circuit Court
City of Petersburg

Samuel Parham, Mayor
City of Petersburg

Review Period: July 1, 2024, through December 31, 2025
Court System: City of Petersburg

We have reviewed the financial operations for the office of the Clerk of the Circuit Court for the City of Petersburg, for the period noted above, pursuant to § 30-134 of the Code of Virginia. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

The Clerk is responsible 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 information, effectiveness and efficiency of financial operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

We noted matters involving internal control and its operation necessary to bring to the Clerk's attention. These matters are discussed in the section titled Comments to Management. Any written corrective action plan to remediate these matters provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether it adequately addresses the issues in this report.

The Clerk has taken corrective action to remediate the findings that we reported in our previous report that are not repeated in this report.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

cc: The Honorable Joseph Teefey, Jr., Chief Judge
John Altman, City Manager
Robyn de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia

Maytee E. Parham
Clerk Of Petersburg Circuit Court
Seven Courthouse Avenue, Petersburg Virginia 23805
Phone: 804-431-5594

September 21, 2026

Staci Henshaw
Auditor of Public Accounts
Commonwealth of Virginia
Sent via email to Stephanie.serbia@apa.virginia.gov .

Re: Audit Findings Response
Audit Period July 1, 2024, through December 31, 2025

Dear Ms. Henshaw:

My response to your internal control finding report and the corrective actions implemented include but are not limited to the following:

Promptly Deposit Collections

The Clerk is working with Wells Fargo to have a local depository with secure pickup. Deposits will reflect real-time transactions during business hours.

Reconcile Bank Account

The bank account is reconciled monthly. The Clerk and private accounting firm have completed reconciliation worksheets for the audit period. The Clerk will continue to reconcile all monies at the end of each business day. Reconciliatory corrections will be made immediately upon recommendation of the consultant's findings if alterations are necessary for reconciliation.

Request Tax Set-Off Refunds

The Clerk acknowledges two claims were not submitted over the 17-month audit period. There has been significant improvement this audit period. To prevent similar occurrences in the future, the Clerk has implemented an office procedure to have claims submitted within 3 business days of receiving tax set off notice. An additional monitoring procedure will be conducted prior to the tax set off due date to ensure claims were submitted timely.

Establish Receivable Accounts Timely

The office has a new procedure and conducts a monthly review of the report; however, due to staffing limitations and training of new employees, several cases were inadvertently missed during the audit process.

To prevent similar occurrences in the future, the Clerk will continue to monitor the report monthly and has implemented additional weekly audits to ensure that receivable accounts are established accurately and in a timely manner. These additional monitoring procedures will provide an added layer of oversight and accountability to help ensure compliance with established procedures.

Update Individual Receivable Account Status

The Auditors instructed the Clerk how to use the data on the report and the appropriate process for accessing and reviewing it. The identified errors were promptly corrected and the report currently audited monthly.

I appreciate and value the expertise and suggestions provided by the APA. This office will continue to work to improve upon the areas that can be strengthened through further training, communication, and use of available resources.

Respectfully,

Signature on File

Maytee E. Parham, Clerk
Petersburg Circuit Court