

**PAUL C. GARRETT
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



-TABLE OF CONTENTS-

	<u>Pages</u>
AUDIT LETTER	1-2
COMMENTS TO MANAGEMENT	3
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	4-5



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

May 26, 2011

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

City Council
City of Charlottesville

Audit Period: January 1, 2010 through December 31, 2010
Court System: City of Charlottesville

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and 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 court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable John G. Berry, Chief Judge
Maurice Jones, 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

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 Account For Criminal Fines And Costs

The Clerk does not properly enter fines and costs in the court's automated accounting system in accordance with sections 19.2-163; 19.2-164; 18.2-270; 19.2-336; 17.1-275 and 15.2-1627 of the Code of Virginia. Our audit revealed 20 errors in 11 of 21 cases tested.

- The Clerk recorded fines in five cases either as the wrong Commonwealth or locality account, resulting in potential loss of \$3,500 for the Commonwealth and \$800 for the locality.
- The Clerk did not charge the defendant the "Costs for Court Appointed Attorneys fees" in two cases resulting in a loss of \$565 to the Commonwealth.
- The Clerk improperly charged the defendants the costs of interpreters in two cases totaling \$440, when the defendants should not bear this cost.
- The Clerk did not include all the costs for Commonwealth Attorneys, DNA testing and Internet Crimes in two cases each, resulting in a loss totaling \$70.

We recommend the Clerk make appropriate corrections to case paperwork and the courts automated accounting system, review similar cases for corrections and recover costs as possible.

Correct Journal Voucher Errors Timely

The Clerk incorrectly recorded a journal voucher, which created a negative balance of \$149.26 which the Clerk has not corrected since July, 2010. The automated court financial systems produces reports which show the error and help the Clerk determine the appropriate actions to correct the error. The Clerk should identify and correct the journal voucher error. If the Clerk is encountering problems making the appropriate correction, he should consider contacting the Supreme Court for assistance.

Properly Manage Liability Accounts

The Clerk did not remove two inactive civil cases from 2004 and 2008 from the docket as required by Section 8.01-335 of the Code of Virginia and the Clerk should have either disbursed the funds to the plaintiff or escheated to the Commonwealth the \$20,416. Additionally we identified two outstanding civil appeal bonds that Clerk should also either disbursed to the plaintiff or escheat the funds to the Commonwealth. We recommend the Clerk review all liability accounts to ensure he appropriately petitions to remove these inactive cases from the docket.

CIRCUIT COURT
OF THE CITY OF CHARLOTTESVILLE
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PAUL C. GARRETT
CLERK

NANNETTA J. JACKSON
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ALLISON J. CARR
DEPUTY CLERKS

May 26, 2011

Office of the Auditor of Public Accounts
Attn: Linda Gray
P. O. Box 1295
Richmond, Virginia

Dear Sir:

Please consider this communication as a response and corrective plan to address matters that were contained in a message from Linda Gray, Judicial Systems Senior Specialist dated May 16, 2011. The comments are in the same order as in that message.

Criminal Fines and Costs

1. Changes have been made to the criminal accounts to reflect additional fines and costs. Notices of the additional fines and costs have been prepared.
2. Changes have been made to reflect the assessment of fees for court-appointed attorneys, Commonwealth's Attorney, DNA, and Internet Crimes. In addition, the documentation from the general district court will be reviewed to ascertain whether the case should be considered as a state case or city cases, rather than rely on what be reflected on the automated system upon transfer from that court. The staff have also been instructed to review the documentation from the general district court to ascertain the assessment of fees for court-appointed attorneys and the Commonwealth's Attorney, as these costs apparently do not come up with the case when it is received electronically from the general district court. It is hoped that legislation pertaining to fixed criminal fees, which initially addressed the hodgepodge of assessment of costs, will be changed to address the matter of additional costs.
3. The costs for interpreters have been deleted.

4. The resident judge has indicated that, since his tenure on the bench for over 10 years, there has not been a request from the Office of the Commonwealth's Attorney for assessment of costs for the Trauma Center but that he is willing to consider amending the language of the court orders to include such.

Journal Vouchers

The reference transaction resulted from an attempt to resolve a messaged received in one of the regular financial reports. Although the action taken was in accordance with the procedure for resolution of the message, in this particular instance only it happened that the funds had already been transferred to the state. This was an unusual circumstance that has been further resolved by consultation with the Office of the Executive Secretary of the Virginia Supreme Court.

Liability Accounts

The two cases to which references were made were specific actions in which the petitioner had requested guidance from the Court. Even though no order has been entered resolving such, the nature of the cases is somewhat different. The matter of the appeal bonds will need to be brought to the attention of the presiding judge as both cases involve matters that have already been addressed by court orders, without there being any mention of the disposition of the bonds in said orders. It also should be noted that Section 8.01-335 of the Code of Virginia, 1950, as amended, which is referenced in the message, specifies action to be taken by the court as to its docket.

It is specifically requested that a copy of this communication be sent to whomever the report is sent.

Yours truly,

Paul C. Garrett

Paul C. Garrett, Clerk
Charlottesville Circuit Court