



SHEILA BOSIGER
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CAMPBELL

REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2013 THROUGH MARCH 31, 2015

Auditor of Public Accounts
Martha S. Mavredes, CPA
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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 Fines and Costs (Repeat Finding)

The Clerk and her staff did not properly bill and collect court fines and costs. In eight of 20 cases tested, we noted the following errors.

- In two cases, the Clerk's staff did not bill defendants for \$1,766 in court costs, resulting in a loss of revenue to the Commonwealth.
- In four cases, the Clerk's staff overcharged defendants' court costs of \$362.
- In one local case, the Clerk's staff miscoded the \$54 fine as state fine, resulting in a loss of revenue to the locality.
- In one case, the Clerk's staff miscoded a \$20 state ignition interlock fee as a local DNA fee, resulting in a loss of revenue to the Commonwealth.

The Clerk and her staff should correct the specific cases noted above and start reviewing the daily criminal account listing reports to minimize the likelihood of billing errors going undetected. In addition, the Clerk should bill and collect court fines and costs in accordance with the Code of Virginia.

Properly Manage Tax Set-Off Refunds

The Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax refund set-off of delinquent court fines and costs totaling \$667, resulting in a loss of revenue to the Commonwealth and locality. The Clerk's staff relies upon automated emails generated by TAX as notification of a claim rather than periodically logging into TAX's automated system. Logging into TAX's automated system is the best method of ensuring that all tax set-off notifications are received.

Additionally, the Clerk did not distribute \$136 to an individual account for a tax set off refund received in August 2014; as a result, the defendant did not receive credit for payment on an unpaid account.

A court must submit claims for tax set-off of tax refunds through TAX's automated system, the Integrated Revenue Management System. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia. Also, when the Clerk receives tax set-off refunds, those funds should be immediately credited to the applicable defendants' accounts.

Properly Collect Fees on Wills (Repeat Finding)

The Clerk and her staff did not properly collect fees on wills, specifically on affidavits of notice. Fees for recording affidavits of notice are supposed to be collected when the affidavits are submitted for recordation. In five estates tested, we noted the following errors.

- For one estate, the Clerk recorded an affidavit of notice without collecting the \$16 recording fee, resulting in a loss of revenue to the Commonwealth.
- For two estates, the Clerk collected the recording fees without receiving the affidavits of notice.
- For two estates, the Clerk collected the fees in advance of recording the affidavits of notice.

The Clerk should collect the recording fees for affidavits of notice at the time of recording as required by the Code of Virginia.

Promptly Receipt Taxes and Fees on Civil Cases

In five of ten civil cases tested, the Clerk delayed receipting the related taxes and fees for up to four days after receiving the cases. To prevent a loss of funds, the Clerk and her staff should record collections in the automated accounting system and deposit the money in the Clerk's bank account immediately upon receipt of taxes and fees related to civil cases.

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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 23, 2015

The Honorable Sheila Bosiger
Clerk of the Circuit Court
County of Campbell

James A. Borland, Board Chairman
County of Campbell

Audit Period: April 1, 2013 through March 31, 2015
Court System: County of Campbell

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System 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

MSM: clj

cc: The Honorable John T. Cook, Chief Judge
Frank J. Rogers, 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

Campbell County Circuit Court Clerk's Office

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ALTAVISTA (434) 592-9517 • BROOKNEAL (434) 283-9517 • RUSTBURG (434) 332-9517 • LYNCHBURG (434) 592-9517

Sheila W. Bosiger, Clerk

May 20, 2015

Martha S Mavredes, CPA
Auditor of Public Accounts
Attn: Laurie Hicks, Auditor Director
P.O. Box 1295
Richmond, Va. 23218

Re: Clerk's Response and Corrective Action Plan
Audit Period: 4/1/2013-3/31/2015
Court System: County of Campbell

Dear Ms. Mavredes:

I would like to address the items cited in your Audit Report for the above referenced period for this office.

Properly Bill and Collect Court Costs (Repeat Finding)

All items noted were reviewed with staff and all corrections were made accordingly. The cases that the Clerk's staff did not bill defendants \$1766.00 in court costs were errors that the deputy corrected as soon as she was alerted.

In the four cases that the Clerk's staff overcharged the defendants \$362.00 for court costs, the deputy was assessing all attorney expenses including mileage on charges that were nolle prose. The deputy thought she was able to collect fees when cases were certified or appealed to Circuit Court. The system pre-fills case information. The Clerk's staff will check the system to make sure that all information is correct in the system.

The Clerk's staff miscoded the \$54.00 fine as state and the \$20 state ignition interlock fee as a local DNA fee in error.

The Clerk's staff corrected the specific cases noted above and will start reviewing the daily reports to minimize the likelihood of billing errors going undetected.

The workload in the criminal department is currently under review. I have three deputies in this department. I'm in the process of training another deputy to help with court cost to help minimize the errors that were found in this audit. Since the audit, this deputy has attended a restitution class at the Office of the Executive Secretary of the Supreme Court of Virginia. She also will attend a class in Charlottesville for a training through the Supreme Court of Virginia on June 6, 2015. I also sent this deputy along with my Acting Chief Deputy Clerk to Bedford County Circuit Court to train with their Criminal department to ensure that we bill, collect court costs and fines in accordance with the Code of Virginia.



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Sheila W. Bosiger, Clerk

Properly Manage Tax Set-Off Refunds

All items noted were reviewed with the staff and all corrections were made accordingly. In response to the claims to the Virginia Department of Taxation (TAX) for tax refund set-off for delinquent court costs and fines totaling \$667.00, resulting in a loss of revenue to the Commonwealth and locality. The Clerk's staff will not wait for emails from the Department of Taxation. The Clerk's staff will check the site more frequently.

The Clerk's staff did not distribute \$136.00 to an individual account for a tax set off refund received in August 2014, resulting in the individual not receiving credit on an unpaid account. The deputy that applied this money to this account was in training during this time and is not familiar with the tax refund set-off. The supervising deputy was on vacation and was unaware of the error. The supervising deputy along with another deputy are responsible for checking the claims for tax set-off of tax refunds through TAX's automated system, the Integrated Revenue Management System. The Clerk's staff will use the tax refund set-off process to maximize collections as required by the Code of Virginia.

The Clerk's staff immediately distributed those collections to the individual's account in the court's automated accounting system. The Clerk's staff will review the general ledger monthly to help prevent receipting errors from going undetected.

Properly Collect Fees on Wills (Repeat Finding)

All items noted were reviewed with staff and all corrections were made accordingly. The Clerk's staff will collect the \$16.00 recording fees for the affidavit of notices when the individuals return the document. I'm in the process of training my deputy on wills.

Promptly Receipt Taxes and Fees on Civil Cases

The Clerk's staff was informed to make sure that all civil cases are filed on the day that they are received. The deputy that held cases out for several days has since moved to the Criminal Department. I'm training the deputy that has moved to the Civil Division from the Criminal Department.

My staff and I are committed to produce high quality and accurate work ethics and continuously strive to give exceptional customer service to our county and state.

Sincerely

Sheila W. Bosiger, Clerk
Sheila W. Bosiger, Clerk

By Valera Young



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