



Commonwealth of Virginia

Auditor of Public Accounts

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Walter J. Kucharski, Auditor

April 8, 2004

The Honorable Thomas R. Williams
Clerk of the Circuit Court
County of Charles City

Board of Supervisors
County of Charles City

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Charles City for the period January 1, 2003 through December 31, 2003.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system, and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Manage Accounts Receivable

The Clerk does not properly manage the court's accounts receivable. Specifically, we noted the following:

- The Clerk does not consistently record accounts receivable information in the automated system timely. In eight of 20 accounts receivable tested, the Clerk recorded updates or changes up to ten months late. Updates or changes often include such pertinent information as case final disposition, additional fees and costs, hearing dates, and/or changes to payment due dates. Therefore, the Clerk should record this information timely to prevent occurrence of such adverse situations as either premature or delayed driver's license suspension, as well as under or over payment of fines and costs.

- As noted in the prior year audit, the Clerk continues to alter payment due dates without appropriate documentation. In ten of 40 criminal cases tested, court staff failed to properly document due date changes or payment terms when recording individual accounts receivable in the automated system. All fines and costs are payable immediately upon final case disposition unless otherwise ordered by the court or evidenced by a written payment plan. Court staff should not alter due dates unless they have an established or revised payment agreement so that defendants understand their obligations to the court. Additionally, the Clerk should only make changes that reflect approved payment terms from a court order or other supporting documentation.
- Also as noted in the prior year audit, the Clerk does not promptly enter all delinquent fines and costs in the Judgment Lien Docket as required by Section 8.01-446 of the Code of Virginia. In ten of 20 unpaid cases tested, the Clerk recorded the judgments up to two months late. Additionally, in one other case, the Clerk failed to record the judgment at all. To help maximize collections, the Clerk should promptly record all delinquent fines and costs in the Judgment Lien Docket Book without delay.

Inadequate management of accounts receivable hinders the collection of fines, costs, and fees. The Clerk must ensure that court staff possess an appropriate understanding of the accounts receivable process through proper training and supervisory oversight. Proper entry of receivables along with accurate due dates should strengthen procedures and increase the collection of court revenue.

We discussed these comments with the Clerk on April 8, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

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