

**ROY C. MAYO III
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF AMHERST**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2009 THROUGH MARCH 31, 2010**



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

May 25, 2010

The Honorable Roy C. Mayo, III
Clerk of the Circuit Court
County of Amherst

Board of Supervisors
County of Amherst

Audit Period: April 1, 2009 through March 31, 2010
Court System: County of Amherst

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 Mosby Garland Perrow, III, Chief Judge
C. Lee Lintecum, 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

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 Manage Trust Funds

The Clerk misclassified three law deposits totaling \$25,607 as trust funds on the court's automated accounting system. The Clerk should properly classify funds when receipting collections into the court's automated accounting system as required by the Financial Management System User's Guide.

The Clerk did not post interest totaling \$128 for a trust fund account he is holding pursuant to Section 8.01-600 of the Code of Virginia. We recommend the Clerk promptly record interest to help ensure the court's automated accounting system accurately reflects the balances in the bank.

Properly Bill Fines and Court Costs

The Clerk and his staff is not properly billing and collecting court appointed attorney, DNA fees, and fines involving local and state charges as required by Sections 19.2-163, 19.2-310.2, and 19.2-340 of the Code of Virginia. The auditor tested 22 cases and noted the following errors in three of these cases.

- In one local case, the Clerk's staff did not properly bill the locality for the court appointed attorney fees. Instead, the Clerk erroneously billed the Commonwealth for \$278.
- In one case, the Clerk's staff incorrectly entered the defendant's payment as a local fine instead of a state fine causing a loss of revenue to the Commonwealth totaling \$250.
- In one case, the Clerk's staff did not bill the defendant for court appointed attorney fees totaling \$90. Additionally, the Clerk erroneously charged the DNA fee totaling \$25.

We recommend the Clerk research all similar cases and make appropriate corrections to case papers. The Clerk and his staff should bill court costs and fines in accordance with the Code of Virginia.

Control Access to Integrated Revenue Management System

The Clerk allowed one of his employees to use his access to the Integrated Revenue Management System. A court can directly place a hold on tax refunds from the Virginia Department of Taxation's automated accounting system called the Integrated Revenue Management System (IRMS).

It is critical each user have a unique password and user ID to provide accountability and integrity over the information within the automated system. The Clerk should ensure that the Court has adequate staff with proper training and authorization to access the automated system. The Clerk should immediately change his password to access the Department of Taxation's automated accounting system. Further, the Clerk should never allow anyone else to use this automated system when he is the individual user on the system.

Improve Accounts Receivable Management

In three of ten cases tested, the Clerk and his staff did not correctly enter the due dates into the court's automated accounting system based on the information in the signed court order. Improper changes to

individual accounts hinder collection efforts and could also result in loss of revenue for both the Commonwealth and the locality.

Properly Preserve Court Records

Since March 2007, the Clerk does not microfilm or convert to an electronic format the Circuit Court Criminal and Civil court orders as required by Section 17.1-124 of the Code of Virginia. Properly preserving court documents helps prevent a loss of records from occurring. The Clerk should immediately begin using an approved method to preserve the court's records of the past three years.



ROY C. MAYO, III
CLERK OF COURT

CLERK'S OFFICE
CIRCUIT COURT OF AMHERST COUNTY
P. O. BOX 462
AMHERST, VIRGINIA 24521

June 9, 2010



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Walter J. Kucharski
Auditor of Public Accounts
P. O. Box 1295
Richmond, Virginia 23218

Dear Mr. Kucharski:

Please find enclosed responses and corrective action plans as they relate to your 2010 audit of the Amherst County Circuit Court Clerk's Office.

Sincerely,

Roy C. Mayo, III, Clerk

Properly Manage Trust Funds: (1) These three accounts were inadvertently receipted to Code 511, instead of Code 522. They have been reclassified to Code 522. (2) The interest on this Certificate of Deposit was not posted each time the Certificate renewed automatically. The interest has been posted to this account.

Properly Bill Fines and Court Costs: (1) In this case, while the Commonwealth was inadvertently billed for the Court Appointed Attorney fees, the revenue was credited to the Commonwealth when the court costs were paid, resulting in a zero dollar impact on the Commonwealth or the County. (2) The charge in this case was made on a County warrant, and the fine was correctly entered as a local fine, resulting in no loss of revenue to the Commonwealth. (3) These two minor errors are acknowledged. With only two minor errors noted, the findings in this area are grossly overstated.

Control Access to Integrated Revenue Management System: (1) I have never been advised, nor did I think it remotely possible, that the training of a sworn Deputy Circuit Court Clerk, to be authorized as a backup in the Debt Set-off program, could possibly be considered a security issue. I do not concur with this finding.

Improve Accounts Receivable Management: (1) The inadvertent entering of three incorrect due dates of court costs of 90 days or less, is acknowledged.

Properly Preserve Court Records: (1) Deeds and judgments are scanned daily under a contract with Cott Systems. Criminal and civil orders are scheduled to be scanned as funds become available. Section 17.1-124 of the Code of Virginia does not reflect time requirements or guidelines. I do not concur with this finding.