



SAMUEL H. COOPER  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF ACCOMACK

FOR THE PERIOD  
JANUARY 1, 2022 THROUGH MARCH 31, 2023

Auditor of Public Accounts  
Staci A. Henshaw, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



## COMMENTS TO MANAGEMENT

With over 800 duties assigned to the role by the Code of Virginia, the Clerk of the Circuit Court has many important responsibilities. Thus, it is critical for the Clerk to provide the proper oversight and training for staff and to exhibit the appropriate tone at the top related to the importance of internal controls over the court's operations, which we found to be inadequate during this audit. We noted numerous deficiencies involving internal control and its operation across multiple areas 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.

### **Properly Bill and Collect Court Costs**

**Repeat:** Yes (first issued in 2010 as Properly Record Criminal Costs)

The Clerk and his staff did not properly bill and collect court costs. In 17 of 40 cases tested (43%), we noted the following errors.

- The Clerk did not charge defendants in 12 cases a total of \$4,925 in court costs.
- For five cases, the Clerk overcharged defendants a total of \$1,227 in court costs.

The Clerk should correct the specific cases noted above, seek additional training in the billing and collection of court costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with the Code of Virginia.

### **Request Tax Set-Off Refunds**

**Repeat:** Yes (first issued in 2018 as Participate in the Tax Set-Off Debt Collection Program)

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax setoff of refunds for delinquent court costs and fines totaling \$32,759, 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 setoff 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.

### **Reconcile Bank Accounts**

**Repeat:** Yes (first issued 2015)

The Clerk has not reconciled the operating account since June 2014. In addition, the total of the individual investment account balances in the Clerk's automated financial system does not agree with the aggregate balance reported on the savings account bank statement. 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 all bank accounts and, going forward, should reconcile the bank accounts upon receipt of the bank statements and record corrections and adjustments to the financial system timely.

### **Properly Manage and Report Trust Funds**

**Repeat:** Yes (first issued in 2020 as Improve Financial Management)

The Clerk does not properly manage and report trust fund accounts as required by the Code of Virginia and the Financial Accounting System User's Guide. We noted the following:

- The Clerk has deposited trust funds totaling \$311,492 in a bank that is not a qualified depository, as defined by § 2.2-4400 of the Code of Virginia.
- The Clerk did not accurately post interest in the financial accounting system to individual trust fund accounts, resulting in incorrect account balances.
- The Clerk did not invest five trust funds totaling \$107,501 within 60 days of the initial court order as required by § 8.01-600 of the Code of Virginia.
- The Clerk did not file an annual trust fund report with the court by the October 1<sup>st</sup> deadline for fiscal year 2022. We noted the Clerk filed the report eighteen days late.

The Clerk should immediately resolve the conditions noted above and, going forward, should only deposit trust funds in a qualified depository; accurately record activity in the financial system; receipt, invest, and disburse trust funds as required; and file the annual trust fund report with the court each year as required by the Code of Virginia.

### **Monitor and Disburse Liabilities**

**Repeat:** Yes (first issued in 2016 as Monitor and Disburse Restitution)

The Clerk does not adequately monitor and disburse liabilities. On June 30, 2022, the Clerk was holding a total of \$112,638 related to inactive accounts dating as far back as 1998. Our audit identified 19 additional accounts, totaling \$10,631, the Clerk should have disbursed or escheated. The Clerk should review all liability accounts he is currently holding and disburse, escheat, or otherwise resolve the accounts as appropriate. Going forward, the Clerk should monitor and disburse liabilities monthly as recommended by the Financial Accounting System User's Guide.

### **Update Individual Receivable Accounts Status**

**Repeat:** Yes (first issued in 2022)

The Clerk does not monitor and correct accounts listed on the Individual Account Status Report. Currently, there are four credit balance accounts dating back to 2012 and more than 50 payable accounts, including bonds and refunds. Additionally, there are two cases listed as 'under review' dating back to 2018 for which no collection efforts are in place. The Clerk should review the accounts on this report and take appropriate action on each account.

**Review Daily Financial Reports****Repeat:** Yes (first issued in 2017)

The Clerk does not consistently review the daily financial reports, which summarize all accounting transactions made each day. A deputy clerk prepares the daily financial reports for collections and deposits, which the Clerk occasionally reviews. However, it is clear the Clerk does not review other reports since we noted defendant accounts needing corrective action have remained on the reports for several years and ledger imbalance 'warnings' existed during the audit period. Currently the liability sub ledger does not reconcile to the general ledger with a difference of \$154,132. If the Clerk had properly reviewed the financial reports, he would have identified these conditions and the fact that the financial system rejected a \$1,717 journal entry, which remained uncorrected for over a year. The Clerk should review all financial reports daily and consider training additional staff to assist him with this task.

**Improve Procedures over Receipting Errors****Repeat:** Yes (first issued in 2022 as Retain Voided Receipts)

For two of nine voided receipts tested (22%), the Clerk did not retain all copies of the receipt and did not document the reason for any of the voids. The Clerk should closely monitor and control voided transactions as they pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and other supporting documentation and should provide training to staff to ensure they perform appropriate journal entries rather than unnecessarily voiding receipts.

**Prepare Orders for Obtaining DNA Samples****Repeat:** No

The Clerk has not established a procedure for ordering and obtaining DNA samples. When defendants are convicted of felony charges or certain misdemeanors, the Code of Virginia requires the Clerk to determine if a DNA sample is already on file with the Commonwealth's DNA data bank and, if it is not, prepare an order to have the DNA sample withdrawn by the local sheriff's office and charge the applicable fee. Although the Clerk is charging the fee, he is not preparing the order for withdrawing the blood samples. The Clerk should prepare the necessary court orders for obtaining DNA samples as required by § 19.2-310.2 of the Code of Virginia.

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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

July 18, 2023

The Honorable Samuel H. Cooper  
Clerk of the Circuit Court  
County of Accomack

Robert Crockett, Board Chairman  
County of Accomack

Audit Period: January 1, 2022, through March 31, 2023  
Court System: County of Accomack

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's 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. The Clerk did not provide us with a response or written corrective action plan for this report.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior year that is not repeated in this report.

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

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

cc: The Honorable James Clayton Lewis, Chief Judge  
Michael T. Mason, CPA, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia