



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

FOR THE PERIOD
JULY 1, 2018 THROUGH JUNE 30, 2020

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.

Reconcile Bank Accounts

Repeat: Yes (first issued 2015)

The Clerk has not reconciled his operating account in several years and did not reconcile his investment account during the audit period. As of June 30, 2020, there was a \$252,603 unreconciled difference between the checking account bank balance and the corresponding ledger balance. In addition, the total of the individual investment account balances in the Clerk's automated financial system does not agree to the aggregate balance reported on the savings account bank statement.

Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase the risk of loss of funds. Timely and complete reconciliations are an essential internal control. The Clerk should improve his procedures to ensure bank accounts are properly and promptly reconciled, corrections and adjustments are made timely, and individual investment accounts are accurately reflected in the automated system.

Properly Bill and Collect Court Fines and Costs

Repeat: Yes (as noted below)

The Clerk does not properly bill and collect court fines and costs and has not provided sufficient training to staff responsible for criminal fine and cost assessment and collection procedures. Previous audits have reported the Clerk does not Properly Bill and Collect Court Costs (first issued in 2010), properly Assess DNA Fees (issued in 2018), Participate in the Tax Set-Off Debt Collection Program (first issued 2018), and Monitor Accounts Receivable Reports (issued in 2018). The Clerk has not taken corrective action to resolve these matters. During our audit, we noted the following:

- Cost assessment errors in 40 percent of the accounts tested. Errors included incorrect fine amounts, jurisdiction errors, fees for court appointed attorneys assessed incorrectly, lower court costs not assessed and psychological evaluation fees not assessed. In addition, supporting paperwork for attorney fee waivers is not retained. These errors resulted in Commonwealth revenue losses of \$9,758 and defendants being overcharged \$1,053.
- The Clerk has not obtained access to the Local Inmate Data System (LIDS) to determine if DNA has already been taken from a defendant and staff have not been trained to order and assess the DNA fee appropriately.
- The Clerk has not established procedures for monitoring the 'Accounts without Receivable Report'. Review of this report ensures the Clerk has established all appropriate accounts.

- The Clerk did not participate in the Tax Set-Off Debt Collection program during fiscal year 2019, resulting in revenue losses of \$10,499. One staff member is now certified to respond to Tax Set-Off matches, although 11 defaults were noted in fiscal year 2020. The Clerk should have a second staff certified to respond to Tax Set-Off hits so that he can collect these funds.
- In four of 17 accounts tested, judgments were not docketed or were not docketed timely.

The Clerk should ensure his staff is properly trained on the guidelines and procedures around the billing and collection of court fines and costs and should establish a system of review to minimize the likelihood of billing errors going undetected. In order to maximize collections, the Clerk should review financial system reports to ensure receivables are properly established, ensure a second staff member completes the required training to be able to use the tax refund set-off process, and docket judgments in a timely manner. In all cases, the Clerk should bill and collect court fines and costs in accordance with the Code of Virginia.

Improve Financial Management

Repeat: Yes (as noted)

We noted the following procedures required by either the Code of Virginia or that represent sound accounting practices that the Clerk is not following:

- The Clerk does not consistently Review Daily Financial Reports (finding first issued 2017). System reports summarize all accounting entries made each day. Proper review of the reports is an essential internal control. A deputy clerk prepares the daily financial reports for collections and deposits, which the Clerk occasionally reviews. However, it is clear other reports are not reviewed since defendant accounts needing corrective action have remained on the reports for several years and ledger imbalance ‘warnings’ have been flagged during the entire audit period. Currently a liability sub ledger does not reconcile to the general ledger with a difference of \$56,263. Other than the daily deposits, the Clerk makes most of the accounting entries and does not have a trained backup. Journal entry errors have contributed to the current issues. A secondary review by trained staff would have provided the opportunity for accounting errors to be detected and corrected timely. The Clerk should consider training additional staff to assist him with report reviews.
- The Clerk did not properly Monitor and Disburse Liabilities (issued 2011, 2016, 2017, 2018) and did not submit the required Unclaimed Property and Unclaimed Restitution reports as required by the Code of Virginia. On June 30, 2020, the Clerk held inactive accounts totaling \$115,676 dating as far back as 1998. The Clerk should perform the required due diligence and escheat all eligible accounts.
- The Clerk did not invest two trust accounts within 60 days as required by § 8.01-600 of the Code of Virginia. One account was invested eight months late and one account remains uninvested after ten months. Failure to invest funds timely subjects the Clerk to personal liability for the lost interest.

The Clerk should work to ensure all procedures and duties required by his office are being completed and that proper internal controls are implemented to ensure the accuracy of financial information and compliance with statutory and accounting requirements.

Develop a Disaster Recovery Plan

Repeat: Yes (first issued 2018)

The Clerk has not prepared a disaster recovery plan policy as required by § 17.1-258.3:1 of the Code of Virginia. Developing a disaster recovery plan for electronic records ensures the integrity of court records. The Clerk should prepare a disaster recovery plan in accordance with the Code of Virginia.

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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

December 1, 2020

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

C. Reneta Major, Board Chair
County of Accomack

Audit Period: July 1, 2018 through June 30, 2020
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 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 Clerk and his staff during this engagement.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Glenn Randall Croshaw, 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
Director, Admin and Public Records
Department of Accounts

Commonwealth of Virginia

Samuel H. Cooper, Jr.
Clerk



Carella J. Duncan
Donna F. Belote
Shauna L. Davis
Aristleydi J. Rodriguez
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Deputies

Office Of
Clerk Of The Circuit Court Of Accomack County
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757-787-5776
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December 14, 2020

Martha S. Mavredes, CPA
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23301

Dear Ms. Mavredes:

In response to issues of our most recent audit, we have and will be implementing the following resolutions:

Reconcile Bank Accounts

- Consulting with Martin Watts, retired financial technical advisor with the Supreme Court of VA

Properly Bill and Collect Court Fines and Costs

- Have enrolled criminal deputy in cost assessment training with the Supreme Court scheduled for March 24, 2021
- Deputy clerk was enrolled in IRMS on October 29, 2019

Improve Financial Management

- Anticipating an additionally employee who will be tasked with assisting with monitoring and processing of daily and monthly financials

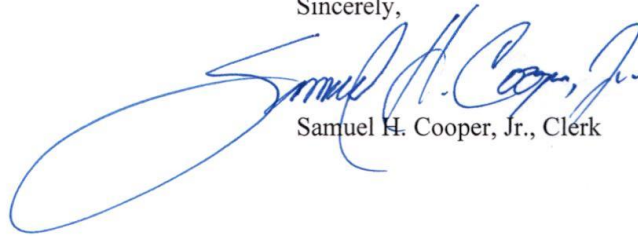
- The two trust accounts were oversights and have been invested

Develop a Disaster Recovery Plan

- Finalizing a plan which was initiated by the County and is due this month.

It is our goal to address and resolve the matters of the audit as well as other issues by February 15, 2021.

Sincerely,

A handwritten signature in blue ink, reading "Samuel H. Cooper, Jr.", with a large, stylized flourish extending to the left.

Samuel H. Cooper, Jr., Clerk