

**ANN HOWARD
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF RADFORD**

**REPORT ON AUDIT
FOR THE PERIOD
DECEMBER 1, 2008 THROUGH DECEMBER 31, 2009**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

April 8, 2010

The Honorable Ann Howard
Clerk of the Circuit Court
City of Radford

City Council
City of Radford

Audit Period: December 1, 2008 through December 31, 2009
Court System: City of Radford

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 Colin R. Gibb, Chief Judge
David C. Ridpath, City Manager
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 Bill Fines, Court Costs, and Restitution

The Clerk is not properly billing and collecting court appointed attorney, public defender, fixed drug misdemeanor, district court fixed misdemeanor, "Drug Offender" fees, fines, and restitution involving local and state charges as required by Sections 19.2-163, 19.2-163.4:1, 17.1-275.8, 16.1-69.48:1, 17.1-275 (A) 10, 19.2-340, and 19.2-305.1 of the Code of Virginia. Auditor tested 22 cases and noted the following errors.

- In eight cases, the Clerk did not bill defendants for the following:

- Restitution totaling \$3,400
 - Court appointed attorney fees totaling \$729
 - "Drug Offender" fees totaling \$300
 - Fixed drug misdemeanor fees totaling \$169
 - State fines totaling \$100
 - Public defender fees totaling \$70

- In two cases, the Clerk over-charged defendants for the following:

- Court appointed attorney fees totaling \$287
 - District Court misdemeanor fees totaling \$143

- In two local cases, the Clerk did not properly bill the locality for the court appointed attorney fees. Instead, the Clerk's staff erroneously billed the Commonwealth for \$278. Additionally, in one of these cases, the court did not bill the defendant for the court appointed attorney fees totaling \$56.
- In two local cases, the Clerk incorrectly entered the defendants' payments as state court appointed attorney fees instead of local fees causing a loss of revenue to the locality totaling \$278.
- In two local cases, the Clerk incorrectly entered the defendants' payments as state fines instead of local fines causing a loss of revenue to the locality totaling \$250.

We recommend the Clerk research all similar cases, make the appropriate corrections case paperwork, and where appropriate, bill the localities for the applicable court appointed attorney fees. Further, we recommend the Clerk work with the Office of the Executive Secretary to receive training in billing court costs, fines, and restitution.

Promptly Deposit Collections

The Clerk's staff held a check totaling \$241 for two weeks before depositing it into the court's official bank account as required by Section 17.1-271 of the Code of Virginia. Holding a check in the office could lead to a loss of funds. The Clerk should promptly deposit all collections in accordance with the Code of Virginia.

CIRCUIT COURT CITY OF RADFORD 619 SECOND STREET, RADFORD, VA 24141

Phone: 540-731-3610 Fax: 540-731-3612

**OFFICE OF:
ANN H. HOWARD, CLERK**

DEPUTIES

**ANGEL H. TURPIN
MELISSA WHITE
BECKY PRICE**

**27TH JUDICIAL CIRCUIT
JUDGES:**

**BRETT L. GEISLER
RAY W. GRUBB
COLIN R. GIBB
JOSIAH T. SHOWALTER JR.
ROBERT M.D. TURK**

April 26, 2010

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

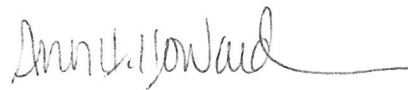
I would like to thank you for the opportunity to respond to my audit dated April 8, 2010. In January 2010, I completed my first year in my new job as Clerk of the Circuit Court for the City of Radford. I have been a Deputy Clerk in this office for the last twelve years. This past year has been both exciting and challenging for me. One of the reasons I love my job so much are the over 800 duties assigned to a Clerk's Office. We do something different everyday and everyday is a new learning experience. Even with working in this office for twelve years, there were many duties that were not assigned to me. I have for the past year and will continue in the future to learn everything I can to insure the high standards and level of professionalism the citizens have come to expect from this office.

First, I will address the issue regarding court costs. This is a duty that I "inherited" when our former Clerk, Zelda Vaughn retired. The process of assessing and billing court costs was a duty she had always performed. This is probably one of the more difficult tasks with many, many variables and it is my understanding, the most common mistake Clerk's are written up for in their audits. Since the audit, I have researched and read all procedural information I could find regarding properly assessing court costs and fines. I have contacted other Clerk's for helpful tips and common pitfalls. I contacted our Court Analyst with the Supreme Court and plan to attend a class in Richmond this summer regarding court costs, and have scheduled a training visit to our office with Martin Watts from the Supreme Court in January 2011. Additionally, corrections were made to all accounts amounting to no loss of revenue to the City of Radford or the Commonwealth of Virginia.

Second, I will address the issue regarding the \$241.00 check that was not deposited for two weeks. We use a written receipt book when our cash register is either down with a technical issue or if we have closed out for the day. One of the deputy clerk's had taken a payment for a gentleman after our register was closed down for the day. She wrote him a written receipt and placed the check in the book until the next morning. Unfortunately, she forgot the check was in the receipt book and the book was not used again for approximately two weeks. It was at this time the \$241.00 check was discovered and deposited. I held a staff meeting and discussed the importance of making sure all written receipts were processed the morning of the next business day.

Again, thank you for the opportunity to address my corrective measures I am implementing regarding these issues. As always, it was a pleasure to work with Randy Johnson and Nancy Tardiff and I look forward to working with them in the future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann H. Howard", followed by a horizontal line extending to the right.

Ann H. Howard, Clerk