



G. CHANCE CRAWFORD  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF SALEM

FOR THE PERIOD  
APRIL 1, 2014 THROUGH DECEMBER 31, 2015

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350



## 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 Monitor and Disburse Liabilities and Trust Funds**

The Clerk does not properly monitor and disburse court liabilities and trust funds. Specifically, the Clerk did not disburse six liability accounts, two bonds related to concluded cases, three trust funds eligible for disbursement, and four restitution accounts, all totaling \$231,542. The Clerk should disburse the amounts noted and should monitor and disburse liabilities on a monthly basis as recommended by the Financial Management User's Guide.

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

The Clerk and his staff did not properly bill and collect court costs. In seven of 15 cases tested, the following errors were noted;

- In three cases, defendants were overcharged court costs totaling \$4,565.
- In four cases, defendants were not billed for \$1,768 in court costs.

The Clerk and his staff should correct the specific cases noted above and should 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.

### **Properly Collect Taxes and Fees on Wills**

The Clerk did not bill two estates for additional state and local probate taxes totaling \$124 after receiving the final inventories. In addition, for six estates, the Clerk incorrectly collected the fees in advance of recording the affidavits of notice.

The Clerk should bill the estates noted above for the additional state and local probate taxes due based on the final inventories and ensure that there is a procedure in place to calculate and assess additional taxes when final inventories are received in the future. Further the Clerk should collect the recording fees for affidavits of notice at the time of recording as required by the Code of Virginia.

### **Properly Docket Judgments**

In five of ten criminal cases tested, the Clerk did not record the amounts owed in the judgment lien indexing system. The Clerk's staff prepare manual judgments rather than using the automated judgments generated by the court's accounting system. To maximize the opportunity for the collection of delinquent fines and costs, the Clerk should use the automated judgments and record the judgment lien information without delay as required by Section 8.01-446 of 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

March 16, 2016

The Honorable G. Chance Crawford  
Clerk of the Circuit Court  
City of Salem

Byron R. Foley, Mayor  
City of Salem

Audit Period: April 1, 2014 through December 31, 2015  
Court System: City of Salem

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System 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

MSM:clj

cc: The Honorable James R. Swanson, Chief Judge  
Kevin S. Boggess, 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

# Clerk of the Circuit Court

G. CHANCE CRAWFORD  
CLERK  
P.O. BOX 891  
SALEM, VIRGINIA 24153  
PH: 540-375-3067  
FAX: 540-375-4039



City of Salem, Virginia

TERMS OF COURT  
THIRD FRIDAY  
FEB. - MAY - JULY - SEPT.  
SECOND FRIDAY  
DECEMBER

March 16, 2016

Ms. Martha S. Mavredes, Auditor  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

Dear Ms. Mavredes,

**ITEM 1: PROPERLY MONITOR AND DISBURSE LIABILITIES AND TRUST FUNDS**

The majority of funds mentioned to be disbursed are trust funds we are holding pursuant to prior Court order. We do not have any Court orders directing us to disburse said funds to any party. We will discuss with the Court the possibility of escheating said trust funds to the Commonwealth. We have now set up a system by which both my Chief Deputy and I will be monitoring the liability accounts on a monthly basis to avoid any future issues in said disbursements.

**ITEM 2: PROPERLY BILL AND COLLECT COURT COSTS**

We have had much turnover at our criminal desk during the audit period. We are currently training a new employee at this desk, and in the future both my Chief Deputy and I will be closely monitoring the assessment of costs in criminal cases.

**ITEM 3: PROPERLY COLLECT TAXES AND FEES ON WILLS**

We had previously relied on our Commissioner of Accounts to notify our office of estates that required additional probate fees. We now double check all inventories filed in our office for any additional probate fees due. We were advised in past audits to bill in advance to collect the fees for filing of affidavit of notices, but having, now been notified that we should not bill in advance for said filing fees, in the future, we will collect said filing fees only at the time of filing the affidavit of notice.

# Clerk of the Circuit Court

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City of Salem, Virginia

## **ITEM 4: PROPERLY DOCKET JUDGEMENTS**

We have now implemented use of the automated judgments generated by the Financial Management System to prevent any future issues in the docketing of judgments in criminal cases.

Additionally, we would like to commend Randall Johnson for being at all times professional and courteous during this most recent audit.

Sincerely,

*G. Chance Crawford*

G. Chance Crawford  
Clerk, City of Salem