

**REPORT ON
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF BUCHANAN, VIRGINIA
JAMES M. BEVINS, JR.**

**FOR THE PERIOD
APRIL 1, 2004 THROUGH SEPTEMBER 30, 2005**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

December 16, 2005

The Honorable James M. Bevens, Jr
Clerk of the Circuit Court
County of Buchanan

Board of Supervisors
County of Buchanan

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Buchanan for the period April 1, 2004 through September 30, 2005.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

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.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system.

However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable conditions are discussed in the section titled "Internal Control and Compliance Findings and Auditor's Recommendations."

We do not believe this these conditions are material weaknesses. A material weakness is a significant deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported. These instances of noncompliance are discussed in the section entitled "Internal Control and Compliance Findings and Auditor Recommendations."

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:cam

cc: The Honorable Keary R. Williams, Chief Judge
W. J. Caudill, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are reportable internal control and compliance matters that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk's response and written corrective action plan to remediate these findings are included as an enclosure to this report.

Improve Accounts Receivable Management

As noted in the previous audit, the Clerk needs to improve procedures for establishing, monitoring, and collecting court receivables. Specifically, we noted the following:

- The Clerk did not record judgments promptly in the Judgment Lien Index and Judgment Lien Docket Book. In 6 of 20 unpaid cases tested, the Clerk delayed recording judgments for up to 54 days after trial. The Clerk should record judgment lien information without delay as required by Section 8.01-446 of the Code of Virginia.
- In nine cases the Clerk delayed recording the accounts receivable information in the system for up to 53 days.

Proper management of accounts receivable greatly enhances the collection of fines and costs. The Clerk should establish accounts receivable in the automated system promptly and record judgments without delay.

Properly Assess Fees

As noted in the previous audit, the Clerk improperly assessed court costs and fees on criminal cases. In 4 of 20 cases tested, we found assessment errors totaling \$1,496. Specifically, we found the Clerk again failed to assess court-appointed attorney fees and also erroneously assessed one felony charge as a misdemeanor. The Clerk should assess and collect court costs and fees in accordance with the Code of Virginia.

Promptly Remit State Collections

The Clerk did not deposit state collections exceeding \$5,000 with the State Treasurer twice weekly as required by Section 2.2-806 of the Code of Virginia. Specifically, we noted that in 52 of the 80 remittances tested, the Clerk deposited collections exceeding \$5,000 only once a week. The Clerk should ensure that his staff properly deposits all state collections as outlined in the Code of Virginia. Failure to properly adhere to these regulations increases the risk of errors or misappropriation or other loss of funds

Monitor and Disburse Liability Accounts

The Clerk did not properly monitor and disburse court liabilities as required by the Code of Virginia and the Financial Management System User's Guide. Specifically, we found the following:

- The Clerk did not disburse five bonds totaling \$5,050 for closed criminal and civil cases.
- The Clerk did not remit an unclaimed chancery deposit over a year old for \$1,167 and four outstanding disbursements totaling \$1,121 to the Division of Unclaimed Property as required by Section 55-210.9:2 of the Code of Virginia.

The Clerk should monitor liabilities, perform due diligence, and disburse liabilities on a regular basis. The Clerk should also send unclaimed property to the appropriate division or fund after due diligence procedures to locate the recipient have failed.

KEARY R. WILLIAMS, JUDGE
Buchanan County Courthouse
P.O. BOX 849
GRUNDY, VIRGINIA 24614

JAMES M. BEVINS, JR., CLERK
Buchanan County Clerk's Office
P.O. BOX 929
GRUNDY, VIRGINIA 24614

**Circuit Court Clerk's Office
of Buchanan County, Virginia**

Telephone 276-935-6567
Fax 276-935-6574

MICHAEL L. MOORE, JUDGE
Russell County Courthouse
P.O. BOX 435
LEBANON, VIRGINIA 24266

HENRY VANOVER, JUDGE
Dickenson County Courthouse
P.O. BOX 190
CLINTWOOD, VIRGINIA 24228

P.O. BOX 968
TAZEWELL, VIRGINIA 24651

January 5, 2005

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

Dear Sirs:

Please consider this our response and corrective action plan to the internal control and compliance findings and auditor's recommendations.

1. Improve Accounts Receivable Management: Previously, judgments for court cost and restitution have been docketed in our office pursuant to a signed Court Order requiring the docketing of such. To correct this situation we will docket cost upon sentencing of the defendant rather than waiting entry of the signed Court Order.

2. Property Assess Fees: Assessing a felony charge as a misdemeanor occurred as a result of a re-sentencing which created an unusual situation. We are now aware of the need to review re-sentencing events as to the cost. As to the failure to assess court appointed attorney fees, we will review defendants court file papers more closely to eliminate this occurrence.

3. Promptly Remit State Collections: This office will review more closely the State Revenue daily and make deposits accordingly.

4. Monitor and Disburse Liability Accounts: A general Court Order will be prepared to disburse criminal and civil bonds. All bonds not disbursed will be turned over to unclaimed property after one year. As far as the unclaimed chancery deposit, we had a Court Order to hold funds and upon the suggestion of the State Auditor these funds were escheated to the State.

Sincerely,


James M. Bevins, Jr.

JMB:jr/akt

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