

**REPORT ON
CLERK OF THE CIRCUIT COURT
of the
CITY OF PETERSBURG, VIRGINIA
BENJAMIN O. SCOTT**

**FOR THE PERIOD
APRIL 1, 2005 THROUGH JUNE 30, 2006**

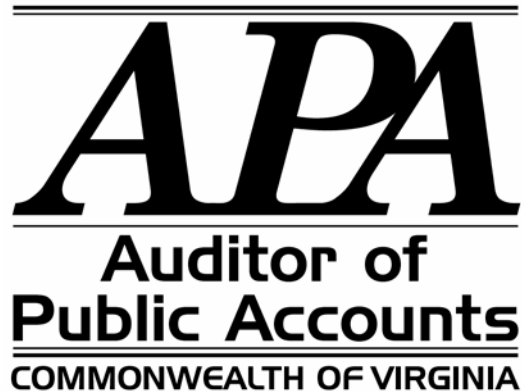


TABLE OF CONTENTS

	<u>Pages</u>
AUDIT LETTER	1-2
INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS	3
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	4



Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

January 22, 2007

The Honorable Benjamin O. Scott
Clerk of the Circuit Court
City of Petersburg

City Council
City of Petersburg

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Petersburg for the period April 1, 2005 through June 30, 2006.

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, or 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, and no matters involving internal control and its operation that we consider to be a reportable condition. 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 results of our tests of compliance with applicable laws and regulations disclosed an instance of noncompliance that is required to be reported. This instance of noncompliance is 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:jth

cc: The Honorable Thomas V. Warren, Chief Judge
B. David Canada, 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

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are reportable internal control 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.

Properly Assess Fees

As noted in the last five audits, staff continues to make mistakes when assessing court costs and fees on criminal cases. Specifically, we found assessment errors totaling \$1,602 in 11 of 25 criminal cases tested. Staff incorrectly assessed a wide range of fees and fines including misdemeanor fixed fees, DUI conviction fees, district court appeal fees, court appointed attorney fees, and lastly, state and local fines.

The Clerk should ensure his staff possesses an appropriate understanding of the court's automated system and appropriate accounting and office procedures. To reduce errors, the Clerk must provide adequate training to employees as needed. As we recommended in past audits, the Clerk should review staff work on a daily basis to ensure employees assess and collect all court costs and fees in accordance with the Code of Virginia.

Hon. Thomas V. Warren, Chief Judge
Nottoway, Virginia

Hon. James F. D'Alton, Jr. Judge
Petersburg, Virginia

Hon. Pamela S. Baskervill
Petersburg, Virginia

Shalva J. Braxton, Chief Deputy Clerk
Kathleen Porwoll, Deputy Clerk II
Rhonda Gregory, Deputy Clerk II
Edward Jones, Circuit Ct. Liaison Officer



Shirley Woodley, Deputy Clerk I
Mary Nicholson, Deputy Clerk I
Erica Thorne, Deputy Clerk I
Chenece Siscoe, Deputy Clerk I
Suzette Walker, Deputy Clerk I


Office of
Benjamin O. Scott
Clerk of the
Circuit Court of the City of Petersburg

C O R R E C T I V E A C T I O N P L A N

Properly Assess Fees

The staff has engaged in extensive training with the Office of the Executive Secretary of the Supreme Court of Virginia for the past fiscal year. Training, both on site and at the Supreme Court's location, will continue. The training emphasis, unlike past training exercises, will be on the assessment of fines and costs, specifically **ALL** misdemeanor fees. Additionally, the Clerk intends to request preliminary technical auditing assistance from the State Auditor, during the year. This request will allow the **State Auditor, the Clerk, and OES** to evaluate the training, and reconcile any differences in assessment application that might still exist subsequent to the training. As in the past, we have relied upon the State Auditor to assist us with the corrective actions process. APA will be invited to participate in the implementation of our training program evaluation. Note that **no** amount of training, and **no** amount of daily staff review by the Clerk, will guarantee that errors will **not** occur. The Clerk will assure that internal controls are adequate to reduce the **materiality of errors**. The Clerk will also maintain sufficient internal controls so as to eliminate **ALL** findings of **reportable internal control matters** that could lead to the **material loss** of revenues and assets. Addressing items of an **immaterial** nature will be addressed; however, maintenance of a **materiality standard** will be the **focus** of this year's training.

Respectfully submitted


Benjamin O. Scott, Sr., CPA
Clerk of the Petersburg Circuit Court
January 31, 2007