

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

**FOR THE PERIOD
OCTOBER 1, 2005 THROUGH DECEMBER 31, 2006**

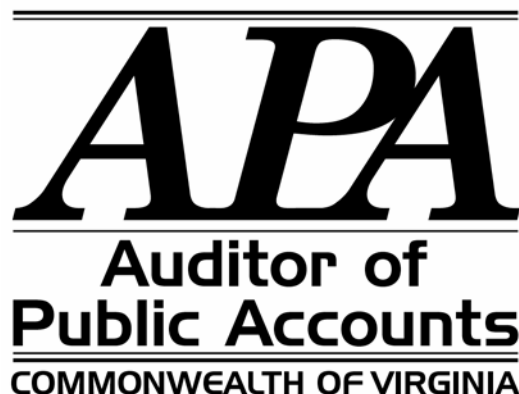


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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

February 12, 2007

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 October 1, 2005 through December 31, 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.

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 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 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 Michael Lee Moore, Chief Judge
Willaim J Caudill, County Administrator
Bruce Haynes, 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.

Improve Accounts Receivable Management

For the third consecutive audit, the Clerk needs to improve procedures for establishing, monitoring and collecting court receivables. Specifically, we noted the following:

- The Clerk did not record three judgments of 20 unpaid cases tested in the Judgment Lien Index and Judgment Lien Docket Book. The Clerk should record judgment lien information without delay as required by Section 8.01-446 of the Code of Virginia.
- In three cases the Clerk delayed recording the accounts receivable information in the system for up to 26 days.
- In three updates tested the Clerk delayed preparing the update from 48 days to 33 months.
- In one case, there was an improper entry of incarcerated status.
- In one case the due date was incorrectly calculated.
- The Clerk does not properly review the daily Department of Motor Vehicles interface error report. We noted three accounts listed on the report with no action taken. One account has been on the error report for six months. Driver's license suspension is an important tool in collecting unpaid fines and costs. The clerk should promptly correct the errors to the individual accounts and report all unpaid fines and costs to the Department of Motor Vehicles.
- In one case, the clerk failed to assess court costs. The Clerk did not review the monthly on request accounts receivable report as required by the Financial Management System User Guide, section 7-13-1.
- In two cases, the clerk failed to credit the individual's account when the individuals completed community service.

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

For the third consecutive audit, the Clerk improperly assessed court costs and fees on criminal cases. In four of 20 cases tested, we found assessment errors totaling \$515. Specifically, we found the Clerk failed to properly assess court-appointed attorney fees and a court ordered fine. The Clerk should assess and collect court costs and fees in accordance with the Code of Virginia.

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

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

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

BEVERLY S. TILLER, CLERK
Buchanan County Clerk's Office
P.O. BOX 929
GRUNDY, VIRGINIA 24614

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

TERESA M. CHAFIN, JUDGE
Tazewell County Courthouse
P.O. BOX 968
TAZEWELL, VIRGINIA 24651

January 24, 2007

Marsha Tedesoe
Audit Director
Richmond, VA 23219

Re: Clerk's Salaries-Corrective Action Plan

Dear Ms. Tedesoe:

Please note that all steps listed in the correction action plan were implemented and are currently ongoing in an effort to continue to comply with the recommendations as to internal control.

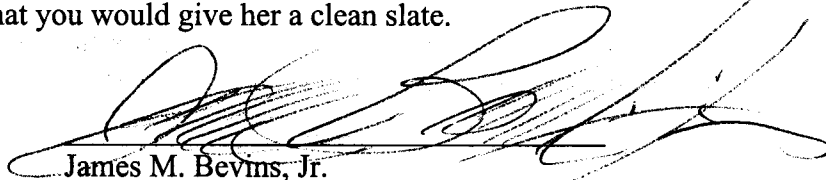
In addition to implementing this plan we have installed a computer terminal in the courtroom in November 2006 so that these matters of concern may be taken care of more promptly.

We have also hired a part-time bookkeeper position as of January 8, 2007, with the responsibility of improving the accounts receivables. A full-time bookkeeper position was lost in previous budget cuts.

Our turnover audit was an improvement from the previous years as we saw a reduction in management points and liabilities.

As you are aware Beverly Tiller has been appointed as of January 2, 2007 and I have retired effective January 1, 2007. Mrs. Tiller is an exceptional person who will take great strides in being compliant with all requirements. Mrs. Tiller had no control over previous audit material and should not be held responsible. In all fairness she should be penalized as I know you would not want to be held accountable for omissions or errors made by your predecessor.

It is therefore my hope that you would give her a clean slate.


James M. Bevins, Jr.

JAN 31 '07 WILLIAMS

audit.

3. In three updates tested the Clerk delayed preparing the update from 48 days to 33 months.

In reference to the 33 month update the cost were assessed and a judgment entered on 6/19/02. The case was appealed 8/16/02 and fees removed accordingly. The appeal was dismissed and the Defendant had been absconded until May 2006. The defendant served her sentence and costs were assessed again on 08/30/06 and paid by community service work. It would appear that fees were not assessed from May 2006 to August 2006 for a total of 3 months instead of 33 months.

We have installed a laptop computer in the Courtroom so that immediately after the case is concluded the information can be updated.

4. In one case, there was an improper entry of incarcerated status.

I will double check all entries in this field.

5. In one case the due date was incorrectly calculated.

I do not understand how this has occurred because due dates are calculated automatically by FMS.

6. The Clerk does not properly review the daily DMV interface error report.

As to the one case which required an offense date I will initiate a double check system with the new bookkeeper to ensure that Report is reviewed properly.

7. In one case, the Clerk failed to assess court costs.

Again I will initiate a double check system with the new bookkeeper in reviewing the BR32 Report.

8. In two cases, the clerk failed to credit the individual's account when the individuals completed community service.

**The court orders for these two cases failed to list the money amount to be credited and the case number covered by the Order. (SEE ATTACHED COPIES) Based on recommendations from previous audits this Office would not assume the amount to be credited.
Future**

KEARY R. WILLIAMS, JUDGE
Buchanan County Courthouse
P.O. Box 849
Grundy, VA 24614

BEVERLY S. TILLER, CLERK
Buchanan County Clerk's Office
PO Box 929
Grundy, VA 24614

**Circuit Court Clerk's Office
of Buchanan County, Virginia**
Telephone 276-935-6757
Fax 276-935-7086

MICHAEL L. MOORE, JUDGE
Russell County Courthouse
PO Box 435
Lebanon, VA 24266

HENRY VANOVER, JUDGE
Dickenson County Courthouse
PO Box 190
Clintwood, VA 24228

TERESA M. CHAFIN, JUDGE
Tazewell County Courthouse
PO Box 968
Tazewell, VA 24651

February 16, 2007

Auditor of Public Accounts
Attn: Marsha Tedesco
P.O. Box 1295
Richmond, VA 23218

Re: Corrective Action Plan

Dear Ms. Tedesco:

Please consider the following to be my corrective action plan as to the Audit Report covering the period of October 1, 2005 through December 31, 2006.

MP #1 IMPROVE ACCOUNTS RECEIVABLE MANAGEMENT

1. The Clerk did not record three judgments of 20 unpaid cases tested in the Judgment Lien Index and Judgment Lien Docket Book.

Two employees were out of the Office that day for training. This office in December 2006 hired a part-time bookkeeper and the employee who was doing the bookkeeping will now be the back-up bookkeeper. The new employee has bookkeeping experience and is familiar with bookkeeping responsibilities. Also it will be an advantage to have a back-up who has actually done the work to help double check things and to print judgments, etc. in the absence of the bookkeeper.

2. In three cases the Clerk delayed recording the accounts receivable information in the system for up to 26 days.

The BR32 report is a monthly report and cases therefore would be apt to be up to 30 days delayed in recording if the report is to be reviewed monthly as stated in the FMS Users Guide Page 7-13-1. It would appear that item #2 could be omitted from the final