

**MARK A. TAYLOR
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF SCOTT**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2009 THROUGH FEBRUARY 28, 2010**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

April 12, 2010

The Honorable Mark "Bo" A. Taylor
Clerk of the Circuit Court
County of Scott

Board of Supervisors
County of Scott

Audit Period: January 1, 2009 through February 28, 2010
Court System: County of Scott

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:alh

cc: The Honorable Tammy S. McElyea, Chief Judge
Rufus Hood, County Administrator
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 Court Costs and Fines

As noted in the prior year audit, the Clerk and his staff are not properly billing and collecting court-appointed attorney, fixed traffic infraction, fixed misdemeanor, jail admission fees and fines involving local and state charges as required by Sections 19.2-163, 16.1-69.48:1, 15.2-1613.1 and 19.2-340 of the Code of Virginia. The auditor tested 35 cases and noted the following errors in nine of these cases.

- In two cases, the Clerk's staff erroneously miscoded town fines of \$1,040 as county fines.
- In four cases, the Clerk's staff over-charged defendants for the following:
 - Court-appointed attorney fees totaling \$445
 - District Court misdemeanor fee totaling \$61
 - District Court traffic infraction fee totaling \$51
 - Jail admission fee totaling \$25
- In three 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 \$316.
- In three local cases, the Clerk's staff incorrectly entered the defendants' payments as state court-appointed attorney fees instead of local fees, causing a loss of revenue to the locality totaling \$316.
- In one case, the Clerk's staff did not bill a defendant for court-appointed attorney fees totaling \$120.
- In one case, the Clerk's staff erroneously miscoded a Commonwealth fine of \$50 as a county fine.

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

Promptly Escheat Trust Fund

The Clerk held a trust fund totaling \$291 five months after receiving the court order to escheat the funds to the Division of Unclaimed Property as required by Section 8.01-602 of the Code of Virginia. The Clerk should promptly perform due diligence and remit unclaimed property to the appropriate agency as required by the Code of Virginia.

Improve Accounts Receivable Management

The Clerk did not correctly enter the payment due dates from the “Time to Pay” agreement into the court’s automated accounting system in three cases tested. Additionally, the Clerk could not provide a “Time to Pay” agreement and the payment due date was 2017 for one case. If defendants cannot pay their fines and court costs within 15 days of sentencing, Section 19.2-354 of the Code of Virginia requires a court order or payment agreement. Improper changes to individual accounts and entering the wrong payment due dates hinder collection efforts and could result in a loss of revenue for both the Commonwealth and the locality.



OFFICE OF THE CLERK OF CIRCUIT COURT
FOR SCOTT COUNTY, VIRGINIA

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CLERK OF THE COURT

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04-21-10

To: Walter J Kucharski
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Ref: Corrective Action Plan

Mr. Kucharski

I wish to address my corrective action plan for the audit period, January 1, 2009 through February 28, 2010. I also want to thank Auditors Louise and Brenda for being nice, professional and helpful to my Court.


Audit point-properly billed court costs and fines: I have discussed this with my two deputy clerks that work criminal court. I have stressed to them the importance of entering the correct codes; and, the importance of billing localities, on a monthly basis, for all attorney fees pertaining to court appointment fees with a court order.

Audit point-promptly escheat trust fund: I have discussed with my deputy clerk that handles escheats and instructed her to issue in a timely manner. This was due because of my deputy being off and my part-time deputy putting the court order in the file and not bringing to my deputy's attention that it had been entered. Our judge travels from my Court to Lee and Wise County Circuit Courts. It may be several days or longer before we get a returned signed court order.

Audit point-improve accounts receivable management: I have talked with my two deputy clerks and have brought this issue and the importance to their attention.

Any questions or comments please feel free to contact me.

Thanks


Mark A. Bo Taylor
Clerk of Circuit Court