



TERESA H. DOBBINS
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF POWHATAN

REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2013 THROUGH DECEMBER 31, 2015

Auditor of Public Accounts
Martha S. Mavredes, CPA
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.

Establish Receivable Accounts

The Clerk and her staff do not properly use available system reports to ensure all needed receivable accounts are established. The Commonwealth recovers the costs of prosecution when defendants pay the costs assessed by the Clerk. Upon conviction, the Clerk establishes a receivable account for the defendant. Using the system provided *Concluded Cases without Receivables Report* ensures the Clerk has established all appropriate accounts. The Clerk should request the reports for this audit period, review and establish any needed accounts, bill the defendants as needed, and implement procedures to ensure these reports are used efficiently on a monthly basis.

Participate in the Tax Set-Off Debt Collection Program

The Clerk has not completed the required training to participate in the Virginia Department of Taxation's Set-Off Debt Collection Program. Section 58.1-521 of the Code of Virginia directs that all state agencies and institutions participate in the debt set-off collection program. The Clerk should complete the required training to be able to use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Reconcile Bank Account

The Clerk did not reconcile the court's bank account during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase the risk of loss of funds. The Clerk should perform monthly bank reconciliations upon receiving the bank statements as required by the Financial Management System User's Guide.

Properly Bill and Collect Court Costs

The Clerk and her staff did not properly bill and collect court costs. We tested 25 cases and noted the following errors.

- In five cases, defendants were erroneously charged costs, totaling \$250.
- In three cases, a total of \$151 in court costs was not assessed to the defendants.
- In six cases, some defendants were overcharged a total of \$887 and others were undercharged \$398 in court-appointed attorney fees.
- In one case, the Clerk erroneously assessed the \$375 fixed felony fee instead of the misdemeanor drug fee of \$296.50, resulting in an over assessment of \$78.50.

The Clerk and her staff should correct the specific cases noted above and start reviewing the daily criminal account listing reports to minimize the likelihood of billing errors going undetected. In addition, the Clerk should bill and collect court fines and costs in accordance with the Code of Virginia.

Maintain Trust Fund Order Book and File Annual Trust Fund Report

The Clerk does not maintain a Trust Fund Order Book as required by Section 17.1-125 of the Code of Virginia and did not file annual trust fund reports for fiscal years 2013, 2014, and 2015. The Trust Fund Order Book serves as a central record of trust fund activity within the court and must include all reports, orders, and decrees related to trust funds, including the annual trust fund report, which must be filed by October 1 of each year pursuant to Code of Virginia, section 8.01-600.

The Clerk should immediately compile a Trust Fund Order Book to include all orders related to trust funds; and file the annual trust fund reports for fiscal years 2013, 2014, and 2015.

–TABLE OF CONTENTS–

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK’S RESPONSE AND CORRECTIVE ACTION PLAN	3-5



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

April 14, 2016

The Honorable Teresa Hash Dobbins
Clerk of the Circuit Court
County of Powhatan

William E. Melton, Board Chairman
County of Powhatan

Audit Period: July 1, 2013 through December 31, 2015
Court System: County of Powhatan

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:alh

cc: The Honorable Paul W. Cella, Chief Judge
Patricia Weiler, 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

Circuit Court of Powhatan County

CLERK'S OFFICE
3880-C Old Buckingham Road
Powhatan, VA 23139
(804) 598-5660

TERESA HASH DOBBINS
CLERK

ELEVENTH JUDICIAL CIRCUIT
PAUL W. CELLA
JOSEPH M. TEEFEY, JR.
DENNIS H. MARTIN
JUDGES

April 8, 2016

Ms. Martha Mavredes
Auditor of Public Accounts
101 North 14th Street, 8th Floor
Richmond, Virginia 23219

Re: Audit – July 1, 2013 to December 31, 2015

Dear Ms. Mavredes;

I am in receipt of your correspondence of April 5, 2016, regarding our audit of the above period. I appreciate the professionalism of Ms. Vaughan and her team and the assistance she has given this office on best practices.

I will now address the five audit findings, four of which I have learned have been continual repeat findings for this office, and the corrective actions which have been implemented. They are as follows:

Establish Receivable Accounts

We were not aware of the availability of the BUIN05 report until Ms. Vaughan requested past copies. The criminal court clerk had been utilizing the CCMS Interactive Docket feature to ensure all cases were ended with proper financials. We had requested of the DJS (Department of Judicial Services) that our daily/monthly report system (ReportTran) be programmed to include all necessary daily reports, but we are aware that the ultimate responsibility is on this office. This multipage report now prints daily and any irregularities are immediately addressed.

Participate in the Tax Set-Off Debt Collection Program

The Clerk has successfully completed the required training with the Virginia Department of Taxation's Set-Off Debt Collection Program. The Clerk has also begun the process to have a second authorized user trained and certified to ensure collection of all available monies.

Properly Bill and Collect Court Costs

The errors that were found in the assessing of fines and costs have been addressed in several ways. The criminal court clerk has corrected each incident of both over and under charging of accounts and as a result no defendant will have cause to overpay or to result in a loss of the collection of fines and costs. A check and balance system for the entry and review of financials has begun by having the sitting courtroom clerk enter the costs and a second clerk verify the accuracy. Annual refresher training through the DJS is expected to ensure proper procedures are followed and the clerk's knowledge of any changes in laws or best practices.

Reconcile Bank Account

Many of the financials for this office had been destroyed by the interim clerk prior to my taking office. Some financial information had to be recreated, some documentation was difficult to locate and other records simply cannot be found. The Clerk has reconciled all accounts and put into place policies and procedures for timely monthly reconciliations. This administration will ensure that both a physical copy and electronic copy are maintained to avoid future loss of records.

Maintain Trust Fund Order Book and File Annual Trust Fund Report

All Trust Fund Orders have been maintained in the Clerk's electronic order book since February 2014. This administration was just made aware that previously there had been a physical Trust Fund Order Book which cannot be located in this office and seems to have been disposed of by the interim clerk along with other valuable office documents. We have corrected this matter to the best of our ability by creating a physical as well as an electronic Trust Fund Order Book with the help of the RMS team. This will ensure that these records will be maintained permanently by this office. A request has been sent to the DJS computer room for the 2013, 2014 and 2015 annual trust fund reports and will be filed appropriately upon receipt. I think it is important to note, that the 2013 report was due to be filed by the previous clerk. Calendar reminders for the request of these reports are now maintained by the Clerk and Chief Deputy Clerk that alert staff to impending deadlines.

In conclusion, there have been many hurdles to overcome during the past two years and I feel that this office has made great strides in improving our commitment to duties, technology, customer service, integrity and accountability. Since taking office it has been unfortunate that the performance of past administrations has affected the current administration's efforts to improve training, to hire and adequately compensate staff, to ensure security of the office and courtroom and to fund the implementation of programs, services and equipment that would allow the staff to better perform their duties. However, this administration is thankful for the assistance and guidance it has received from your field staff and the DJS in bringing to light areas and issues that need to be addressed. I am fortunate to have a dedicated, responsible and caring staff that continues to strive to

meet our responsibilities while serving our citizens with the same excellent customer service that this office has come to be known for since taking office.

Please contact my office if additional information is required.

Regards,

A handwritten signature in cursive script that reads "Teresa Hash Dobbins".

Teresa Hash Dobbins, Clerk

/thd