

February 1, 2001

Marilyn L. Wilson
Clerk of the Circuit Court
County of Amelia

Board of Supervisors
County of Amelia

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Amelia for the period July 1, 1998 through June 30, 2000.

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.

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 weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Properly Assess and Collect Fees on Wills and Administrations

The Clerk did not properly assess and collect fees on wills and administrations as required by Code of Virginia Sections 17.1-275 A (2), 17.1-275 A (3), and 58.1-1715. We found exceptions in five of ten instruments tested:

- In one instrument, the Clerk qualified an individual as an executor or administrator of an estate before collecting the required taxes.
- In three instruments, the Clerk did not assess and collect the additional fee for any pages over four.
- In one instrument, the Clerk did not assess and collect the recording and indexing fee for an affidavit filed at a later date.

The Clerk must assess and collect fees appropriately. The Clerk should ensure she understands all fees and instructs her staff in their assessment.

Properly Monitor Civil Cases

The Clerk does not consistently monitor inactive civil cases. Code of Virginia Section 8.01-335 establishes guidelines for removing inactive civil cases from the court's docket after one, two, and three years of inactivity. The court's docket has 56 civil cases, which are three years or older. Fifteen of these inactive cases are four to seven years old. These old cases clutter and overstate the court's docket report, which is one of the tools the Compensation Board uses to allocate court funding. The Clerk should immediately identify inactive civil cases, petition the court to remove them from the docket, and refund any bonds. Further, the Clerk should consistently monitor inactive cases in the future.

Properly Document Manual Receipts

The Clerk does not properly document manual receipts. In all manual receipts tested, the Clerk did not complete the Summary of Manual Receipts or the manual receipt summary on the end of day PCR reports. Failing to properly document manual receipts increases the risk of fraud or misappropriation of funds. The Clerk should properly document manual receipts by completing the Summary of Manual Receipts or the manual receipt summary on the end of day PCR reports as required by the Financial Management System User's Guide.

Properly Manage Accounts Receivable

The Clerk is not adequately managing the court's receivables. The Clerk has not implemented proper procedures to establish, monitor, and collect accounts receivable. Specifically, we found the following conditions:

- The Clerk does not properly document due date changes as required by the Code of Virginia Section 19.2-354. All fines and costs are payable immediately upon final disposition unless otherwise ordered by the court or deferred by a written payment plan. Court staff should not alter due dates unless they have an established or revised payment agreement.
- The Clerk does not properly notify defendants when they fail to meet the terms of a payment agreement. In four of five cases tested where there was a signed payment agreement, the Clerk would remove the payment terms when the defendant defaulted. This caused the due on date to revert back to the trial date and prevented the system from generating a dunning notice. This significantly decreases the probability of collection. The Clerk should mail the system-produced dunning notices to increase collection of court revenue.

The Clerk should immediately implement procedures to properly establish, monitor, and collect accounts receivable. When the Clerk is unsure of an accounting procedure, she should actively seek guidance from the Supreme Court.

Properly Maintain and Report Trust Funds

The Clerk does not record trust fund activity in the court's accounting system timely. We found delays of up to five years before the Clerk posted interest to several individual trust fund accounts. As a result, the Annual Trust Fund reports submitted in 1999 and 2000 reflected inaccurate transactions and individual account balances. The Clerk failed to take action when the bank discontinued sending interest statements. The Clerk should immediately request the bank to

send interest statements at least annually. Further, she should credit individual trust fund accounts with earned interest upon receipt of the bank statement.

We discussed these comments with the Clerk on December 18, 2000 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Oliver A. Pollard, Jr., Chief Judge
Philop T. Vannoorbeeck, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
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