



STACY L. STAFFORD
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF COLONIAL HEIGHTS

FOR THE PERIOD
JULY 1, 2020 THROUGH DECEMBER 31, 2021

Auditor of Public Accounts
Staci A. Henshaw, 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 noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Promptly Allocate Tax Set-Off Revenues

Repeat: No

The Clerk did not allocate tax set-off collections promptly. As of December 31, 2021, the Clerk was holding \$792 in tax refunds that should have been allocated to defendants' accounts. The oversight is the result of the Clerk not properly reviewing the general ledger and, therefore, was unaware of the balance in the tax set-off account.

Courts recover some delinquent fines and costs through the Department of Taxation Set-Off Collection Program. Upon receipt, Clerks record tax set-off collections in one general ledger account. The Clerks must then credit the defendants' individual accounts before the Commonwealth and locality can recognize the revenues and to ensure appropriate collection activity and interest accrual.

The Clerk should allocate the amount noted during the audit and, going forward, the Clerk should review the general ledger each month to identify accounts, like the tax set-off account, requiring action and make the necessary adjustments and corrections. In addition, going forward, the Clerk should timely receipt and allocate tax set-off revenues.

Promptly Disburse Liabilities

Repeat: No

The Clerk did not promptly disburse liabilities. At the end of the audit period, the Clerk was holding \$600 in liabilities that she should have disbursed, escheated, or applied to individual receivable accounts. The Clerk should address the liabilities noted during the audit and going forward, should disburse or otherwise resolve liabilities in accordance with the Code of Virginia, court order, or as recommended by the financial system user's guide.

-TABLE OF CONTENTS-

Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

1-2

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

3



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

April 24, 2022

The Honorable Stacy L. Stafford
Clerk of the Circuit Court
City of Colonial Heights

Gregory T. Kochuba, Mayor
City of Colonial Heights

Audit Period: July 1, 2020 through December 31, 2021
Court System: City of Colonial Heights

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's 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 Clerk and her staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

cc: The Honorable David E. Johnson, Chief Judge
Douglas E. Smith, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

**Circuit Court Clerk's Office
City of Colonial Heights**



STACY L. STAFFORD
CLERK

550 BOULEVARD - P.O. BOX 3401
COLONIAL HEIGHTS, VIRGINIA 23834-9001
(804) 520-9364
(804) 524-8726 FAX

JUDGES
FREDERICK G. ROCKWELL, III
STEVEN C. McCALLUM
EDWARD A. ROBBINS, JR.
LYNN S. BRICE
DAVID E. JOHNSON

JOHN F. DAFFRON, JR.
WILLIAM R. SHELTON
MICHAEL C. ALLEN
HAROLD W. BURGESS, JR.
HERBERT C. GILL, JR.
T.J. HAULER
RETIRED

July 7, 2022

Staci A. Henshaw
Auditor of Public Accounts
101 N. 14th Street, 8th Floor
Richmond, VA 23219

Dear Ms. Henshaw:

I am writing in response to the comments to management in our recent audit stating that as of December 2021 we were holding \$792 in tax refunds that should have been allocated to the defendants' account, resulting in a finding that we do not properly review the Court's general ledger.

In 2020-2021 we had a total of 208 Tax Set-off accounts. We collected \$21,573.18. The \$792 out of that total amount that was not credited to the individual account was less than one percent. We understand that this should not have occurred and will not in the future. The BR29 reports will be reviewed both by the Clerk and Bookkeeper daily.

We were relying on the BR16 report to address the unclaimed funds and the \$600 did not show up on that report. We now know to check the BR08 because this does not occur in all cases.

We review the general ledger accounts properly. However, we are a small, but busy office, and are addressing the daily needs of the public transacting business in person or via the phone and are constantly being interrupted from our work, so there are times, unfortunately, and with no fault of our own, that there is a delay in completing tasks.

I feel that we do a good job and it is rare that we have audit issues. We will continue to review the general ledger accounts on a daily basis.

Sincerely,


Stacy L. Stafford, Clerk