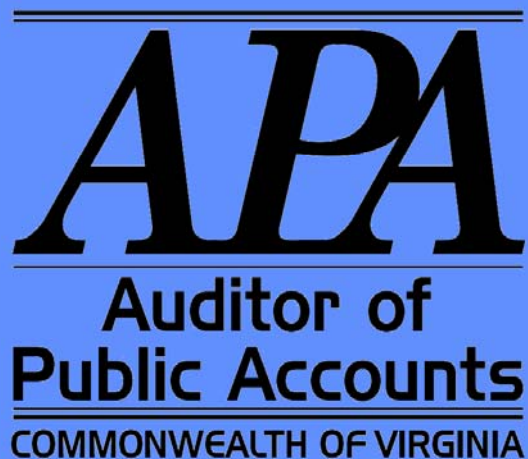


**CLERK OF THE
JUVENILE AND DOMESTIC RELATIONS COURT
FOR THE
CITY OF RICHMOND**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2009 THROUGH SEPTEMBER 30, 2010**



-TABLE OF CONTENTS-

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



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

November 2, 2010

The Honorable Ashley K. Tunner
Chief Judge
City of Richmond Juvenile and Domestic Relations Court
Oliver Hill Courts Building
1600 Oliver Hill Way, Suite C181
Richmond, VA 23219-1214

On September 22, 2010, the Clerk notified both the Auditor of Public Accounts and the State Police of a possible loss of funds in the court. We performed a review of the City of Richmond Juvenile and Domestic Relations Court for the period July 1, 2009 through September 30, 2010. During our review of this court, we conducted certain audit procedures as we deemed appropriate. Our review determined that the loss to the court was \$150, and the matter is still under review by the police.

Management of this court is an important part of the court's accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review, we noted certain matters that required management's attention and corrective action. These matters are included below under Comments to Management.

The matters in this report discuss the internal control procedures within the Court. The Clerk should address findings noted in this report to strengthen these procedures.

We acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK: clj

cc: The Honorable J. Stephen Buis, Judge
The Honorable Richard B. Campbell, Judge
The Honorable Marilyn C. Goss, Judge
Laura E. Gardner, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

COMMENTS TO MANAGEMENT

On September 22, 2010, the Clerk notified both the Auditor of Public Accounts and the State Police of a possible loss of funds in the court. The Clerk had reviewed all of the court activity in the area that the loss had occurred and preliminary results indicated that the loss was approximately \$175. Based on this notification, we scheduled our review of the court to start on October 4, 2010.

During our work, we reviewed not only the area in which the loss occurred, but also the general controls within the Court. Our review of the loss determined the amount of the total loss as \$150. The loss occurred because a supervisor, who normally does not perform cashiering duties, was able to receipt funds without recording them in the Court's financial system. While the supervisor appeared to prepare a receipt, in fact the transaction was not completed. The court has taken appropriate personnel action with the supervisor and the matter is still subject to an on-going investigation.

Improve Internal Controls over Court Operations

The Clerk needs to improve the internal control operations for her office. Below are specific examples of areas which the Clerk needs to address.

- In one of 11 cases tested, staff failed to properly enter fines and costs totaling \$187 in the court's financial management system. We recommend the Clerk make the appropriate corrections in the system and to case paperwork.
- In seven of seven cases tested, staff improperly entered filing fees totaling \$150 to the incorrect account code. As a result, the Court remitted these funds to the City instead of the Commonwealth. We recommend that the staff use daily reports detailing receipt transactions to ensure the accuracy of their work. We also recommend you immediately request those funds from the City and send the funds to the Commonwealth.
- The Court could not provide a case file selected for review.
- The Clerk did not properly account for voided receipts and we found exceptions in three of 11 days tested. For two of the three days, the voids had no supporting documentation and for all three days tested, there were not copies of the voided receipts. The Clerk should retain appropriate documentation and review procedures before voiding receipts. Additionally, supervisors should review these transactions to ensure adherence to appropriate accounting practices.
- The Court is not properly securing the safe during the day. Although the Court limits access to open the safe to appropriate supervisory personnel, it remains unlocked all day after its opening in the morning. The Clerk should consider locking the safe when not in use.
- Cashiers do not verify their individual collections. The financial management system provides a report of collections for each cashier. The Court is not using this report to provide an accurate account of daily collections by cashier. Cashiers should use this report and verify their individual collections.



COMMONWEALTH of VIRGINIA

J. STEPHEN BUIS
JUDGE

RICHARD B. CAMPBELL
JUDGE

MARILYNN C. GOSS
JUDGE

ANGELA EDWARDS ROBERTS
JUDGE

ASHLEY K. TUNNER
CHIEF JUDGE

Thirteenth Judicial District

Juvenile and Domestic Relations District Court

for the City of Richmond

OLIVER HILL COURTS BUILDING

1600 OLIVER HILL WAY, SUITE C181

RICHMOND, VIRGINIA 23219-1214

PHONE: (804) 646-2942 FAX: (804) 646-2906

LAURA E. GARDNER
CLERK OF COURT

TRICIA D. MULLER
CHIEF OPERATING OFFICER

November 3, 2010

Commonwealth of Virginia
Walter J. Kucharski, Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Subject: Response to Possible Audit Finding

Dear Mr. Kucharski,

Thank you for your prompt attention to this Court's requested audit. We are especially grateful for the professionalism and courtesy extended to us by Tracy Vaughan and Linda Gray. After careful review of your findings, we respectfully submit this response.

First, you report the following:

- In one of 11 cases tested, staff failed to properly enter fines and costs totaling \$187 in the court's financial management system. We recommend the clerk make the appropriate corrections in the system and to case paperwork.

This case has been reviewed and we have made the appropriate corrections in the Financial Management System. The defendant has now been correctly billed for \$187.00. The corrections were made before the conclusion of the audit as soon as it was brought to our attention.

Second, you report the following:

- In seven of seven cases tested, staff improperly entered filing fees totaling \$162 to the incorrect account code. As a result, court remitted these funds to the City instead of the Commonwealth. We recommend that the staff use daily reports detailing receipt transactions to ensure the accuracy of their work. We also recommend you immediately request those funds from the City and send the funds to the Commonwealth.

After reviewing the seven cases tested, it was determined that only six were incorrect, bringing the total amount in question to \$150. These were errors made by a now terminated employee. As of this writing, the money has been journal vouchered to the correct account code and the State will be reimbursed what it is rightfully owed.

Third, you report the following:

- The Court could not provide a case file for review.

We feel this situation requires a more detailed explanation. The case selected for review was JA082334-01-00, a Show Cause entered April 11, 2002, by a deputy clerk who no longer works for the Court. In April 2002, the numbers of case files being used were in the 50,000's; case file "JA082334" did not exist. In fact, in looking at our State purchasing records, we did not order case file "JA082334" until December, 2008. After carefully reviewing the Case Management System (CMS), it was determined that the defendant never had any subsequent pleadings, and the Show Cause was dismissed on May 16, 2002. Moreover, no costs were assessed (nor should have been), so we are unsure why this case was selected for review. Thus, we contend that this was a mis-key in CMS on the part of the deputy clerk entering the Show Cause over eight years ago.

In all likelihood, the case file should have been "JA052334." We diligently perused the Court's files from April 2002 to see if we could locate the missing Show Cause but were unsuccessful. Albeit concerning, mistakes nonetheless are expected, and according to the Supreme Court of Virginia's caseload statistical information, this Court received over 20,000 new case filings in 2002. It is highly likely that the Show Cause was expunged during our annual expungement process pursuant to *Virginia Code* § 16.1-69.55. If case file JA052334 was taken from the case file repository and researched in CMS, no records would have been found, and the case was most likely destroyed since it appeared that there was no corresponding case file in the case management system.

Fourth, you report the following:

- The Clerk did not properly account for void receipts and we found exceptions in 3 of 11 days tested. For two of the three days, the voids had no supporting documentation and for all three days tested, there were not copies of the void receipts. The Clerk should retain appropriate documentation and review procedures before voiding receipts. Additionally, supervisors should review these transactions to ensure adherence to appropriate accounting practices.

In 2009, the Court installed new laser printers and cash drawers and moved away from the dot matrix printers and old triplicate receipts of the past. With this new technology came new procedures. We are no longer using the DC-18 carbon copy-triplicate-receipt, but print three receipt copies on plain 8 ½ x 11 paper. In the past, it never was an issue retaining copies of voided receipts since the DC-18 was a three-part form; however, we must acclimate to the new receipts and will ensure that, going forward, we retain copies of all voids, receipts, and supporting documentation. All customer service personnel already have been trained.

Fifth, you report the following:

- The office is not properly securing the safe during the day. Although the court limits access to open the safe to appropriate supervisory personnel, it remains unlocked all day after its opening in the morning. The Clerk should consider locking the safe when not in use.

This recommendation has been implemented and we are now locking the safe during the day.

Lastly, you report the following:

- Cashiers do not verify their individual collections. The financial management system provides a report of collections for each cashier. The Court is not using this report to provide an accurate account of daily collections by cashier. Cashiers should use this report and verify their individual collections.

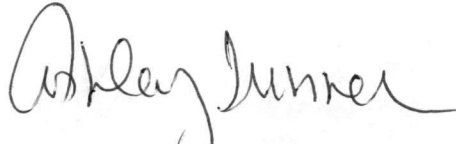
We contend that all cashiers *do* verify their individual collections at day's end with the above-mentioned report. However, prior to this audit, cashiers were not initialing that the amounts collected were verified, but counting and verifying verbally with the Court's Accounting Clerk that their totals were correct. Once brought to our attention, we immediately implemented the auditor's recommendation that cashiers initial their totals to signify verification.

Thank you for allowing us the opportunity to respond to your memorandum. We appreciate your assistance and will make sure all your recommendations are implemented to reduce future mistakes.

Sincerely,



Laura E. Gardner,
Clerk of Court



Ashley K. Tunner
Chief Judge

CC: Judges, Richmond Juvenile and Domestic Relations District Court
Tricia D. Muller, COO
Shelley K. Foulz, Chief Deputy Clerk
Kimberlee B. Mattia, Accounting Clerk
Paul DeLosh, Director, Judicial Services, Supreme Court of Virginia