



LINDA BATCHELOR SMITH
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF HAMPTON

FOR THE PERIOD
APRIL 1, 2018 THROUGH DECEMBER 31, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
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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.

Invest Trust Funds Timely

Repeat: No

The Clerk did not invest trust funds within 60 days as required § 8.01-600 of the Code of Virginia, resulting in a loss of interest revenue to the beneficiaries. We identified two accounts; one was not invested for 472 days and the other for 35 days. The Clerk is personally responsible for the lost interest revenue and should work with the bank to determine the amounts. The Clerk should deposit her personal funds to these accounts as soon as possible. Additionally, the Clerk should ensure all applicable funds are invested timely.

Properly Assess Costs and Docket Judgments

Repeat: No

The audit identified procedural lapses in assessing costs and docketing judgments. Costs are a function of the judicial process and must be calculated and recorded as judgments timely after trial. The automated financial system prepares printed judgments as soon as a defendant's account is established and whenever it is updated. We noted the following errors:

- In 16 of 30 cases tested, judgments were recorded up to eight months late.
- Appealed cases have individual accounts set up; however, they are not always updated with subsequent costs until after the appeal has been heard. In one instance, this meant \$18,596 of attorney and fixed felony fees from the circuit court trial were not assessed to a defendant's account.

Accurate accounting of costs and recording of judgments are vital to the collection process. The Clerk and her staff should ensure all costs are accurately assessed and judgments are recorded timely as required.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 2, 2020

The Honorable Linda Batchelor Smith
Clerk of the Circuit Court
City of Hampton

Donnie Tuck, Mayor
City of Hampton

Audit Period: April 1, 2018 through December 31, 2019
Court System: City of Hampton

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 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. The Clerk did not provide us with a response or written corrective action plan for 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.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Christopher W. Hutton, Chief Judge
Mary Bunting, City Manager
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