



LLEZELLE DUGGER
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

FOR THE PERIOD
APRIL 1, 2016 THROUGH MARCH 31, 2017

Auditor of Public Accounts
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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.

Properly Bill and Collect Court Costs (Repeat)

The Clerk and her staff did not properly bill and collect court costs. In 15 cases tested, we noted the following errors.

- In 15 cases, defendants were not charged for \$586 in court costs.
- In two cases, defendants were overcharged \$425 in court costs.
- In one local case, the locality was not billed for public defender fees of \$158.

The Clerk and her staff should correct the specific cases noted above and should establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with Code of Virginia.

Reconcile Bank Statements (Repeat)

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 increases the risk of loss of funds. The Clerk should reconcile system balances to the bank statement monthly and resolve all differences immediately.

Properly Review General Ledger (New)

The Clerk does not properly review the Court's general ledger to ensure account balances are appropriate. As of March 2017, the Clerk was holding \$497 in tax refunds that should have been allocated to defendants' accounts. The Clerk should correct the current errors and going forward should review the general ledger on a daily basis to ensure the propriety of all account balances.

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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

September 7, 2017

The Honorable Llezelle Dugger
Clerk of the Circuit Court
City of Charlottesville

Mike Signer, Mayor
City of Charlottesville

Audit Period: April 1, 2016 to March 31, 2017
Court System: City of Charlottesville

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. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior year that are not repeated in this letter.

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:clj

cc: The Honorable Timothy K. Sanner, Chief Judge
Maurice Jones, 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

**CIRCUIT COURT
CITY OF CHARLOTTESVILLE**

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September 7, 2017

Martha Mavredes
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

RE: Clerk's Office for the City of Charlottesville Circuit Court
Response and Corrective Action Plan

Dear Ms. Mavredes:

The following is my response and corrective action plan regarding the Audit for the April 1, 2016 to March 31, 2017 time period.

Properly Bill and Collect Court Costs.

First, I believe the team actually tested 23 criminal files, and it noted errors in 15 of the files. There were no errors found in the other 8 files.

Second, in 5 of the cases, the error found was only assessing 228 and 244 fees once. The policy I have in my office is to assess the fee per case, not per count. We have defendants that have multiple counts in one case. In those situations, the fees are assessed on the case, not on each count in the case. With these exceptions, the errors in the other specific cases have been appropriately corrected.

Third, there is a system of review in place, and I believe most errors are found and corrected. I will examine that system and make improvements in an effort to avoid billing errors in the future.

Reconcile Bank Statements.

The bank statements in question are for my old bank account with Bank of America (BoFA). This account was reconciled in March 2017. Since late February 2017, no deposits are being made into this account. It will remain open until the condemnation

funds in that account are fully disbursed. Once all those funds are properly disbursed, this account will be closed. I will reconcile this bank account monthly until it is closed.

Due to BofA closing their branch located on the Downtown Mall, I decided to move my account to Union Bank located on the Downtown Mall. The proximity to my office makes banking more time efficient as well as safer when making deposits

The bank statements for my Union Bank account have been and are reconciled monthly.

Properly Review General Ledger.

The errors noted have been corrected. The general ledger will be reviewed on a daily basis to ensure the propriety of all account balances.

In conclusion I do want to thank the team that conducted my audit. Each of them was professional and pleasant. While audits are by their very nature stressful, each member of this team made it as least disruptive as they could to the regular day-to-day operations of my office. And for that, I am grateful.

Sincerely,

Llezelle Agustin Dugger

Llezelle Agustin Dugger
Clerk of Court
City of Charlottesville