



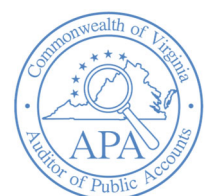
G. CHANCE CRAWFORD
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF SALEM

FOR THE PERIOD
APRIL 1, 2022 THROUGH DECEMBER 31, 2023

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 have led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Properly Monitor and Disburse Liabilities

Repeat: Yes (first issued in 2018)

The Clerk does not properly monitor and disburse court liabilities. The Clerk is currently holding \$186,274 in liabilities that he should have disbursed. The Clerk should disburse the amounts noted and, going forward, should monitor and disburse liabilities monthly as recommended by the Financial Accounting System User's Guide.

Properly Manage Trust Funds

Repeat: Yes (first issued in 2020 as Promptly Post Interest to Trust Funds)

The Clerk does not properly manage trust funds and consistently record related activity. We noted the following:

- The Clerk did not ensure the bank was reporting all court investments as public deposits. We noted the bank did not report two trust funds totaling \$5,455 as such during the audit period.
- The Clerk does not consistently record interest on trust fund accounts in the court's financial system. The Clerk did not record interest for up to two years for four trust funds. The Clerk should record interest on invested funds at least annually and review ending balances after posting interest to ensure the annual report to the court will accurately reflect trust fund balances.

The Clerk should immediately resolve the conditions noted, and going forward, should record trust fund activity in the accounting records as it occurs and verify the bank reports trust funds as public deposits as required by § 8.01-600 of the Code of Virginia.

Properly Bill and Collect Court Costs

Repeat: Yes (first issued in 2017)

The Clerk and his staff did not properly bill and collect court costs. In nine of 24 cases tested (38%), we noted the following errors.

- The Clerk did not charge defendants in eight cases a total of \$3,800 in court costs.
- In one case, the Clerk overcharged the defendant \$3 in court costs.

The Clerk and his staff should correct the specific cases noted above, seek additional training in the billing and collection of court costs, and 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 the Code of Virginia.

Retain Voided Receipts

Repeat: Yes (first issued in 2022)

For two of nine voided receipts tested (22%), the Clerk did not retain all copies of the receipt. Clerks must monitor and control voided transactions closely as these transactions pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and should properly train staff to perform appropriate journal entries rather than unnecessarily voiding receipts.

Properly Docket Judgments

Repeat: Yes (first issued in 2018)

In two of ten unpaid criminal cases tested (20%), the Clerk did not record the amounts owed in the judgment lien indexing system. To maximize collection efforts and to ensure the validity of judgments against defendants for fines and costs, the Clerk should record judgment lien information without delay as required by § 8.01-446 of the Code of Virginia.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 24, 2024

The Honorable G. Chance Crawford
Clerk of the Circuit Court
City of Salem

Renée Ferris Turk, Mayor
City of Salem

Audit Period: April 1, 2022, through December 31, 2023
Court System: City of Salem

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 written corrective action plan to remediate these matters provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether it adequately addresses the issues in 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 report.

We discussed these comments with the Clerk, and we acknowledge the cooperation extended to us by the Clerk and his staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LH: clj

cc: The Honorable J. Christopher Clemens, Chief Judge
Christopher Dorsey, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

Clerk of the Circuit Court

G. CHANCE CRAWFORD
CLERK
P.O. BOX 891
SALEM, VIRGINIA 24153
PH: 540-375-3067
FAX: 540-375-4039



City of Salem, Virginia

TERMS OF COURT
THIRD FRIDAY
FEB. - MAY - JULY - SEPT.
SECOND FRIDAY
DECEMBER

CORRECTIVE ACTION PLAN

Ms. Staci A. Henshaw, Auditor
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

June 17, 2024

Dear Ms. Henshaw,

There are no Court orders directing my office to disburse these funds. I have contacted the attorney of record on several cases for which I am holding funds, requesting that Court orders be prepared for proper disbursement of these funds. In funds held for other cases, the presiding judge has chosen to perform further due diligence to locate the proper beneficiaries of these monies before issuing any order to escheat said monies.

Both trust funds noted as not being properly reported by the bank as government funds have been resolved. With the relatively recent SPDA reporting requirements of the Virginia Treasury, this issue will no longer exist, as all monies held by me are reported quarterly to the Virginia Treasury. I have recorded all interest on accounts held by me reported by the banks holding said funds.

My Chief Deputy Clerk has worked with the deputy clerk responsible for entering costs in criminal cases, both retraining and refreshing the requirements for both correctly entering costs in each case and recording the judgments for each case required. Each case is also being double checked for accuracy.

The deputy clerk responsible for both missing voided receipts is currently enrolled in a class as well as receiving a stern evaluation and warning regarding both performance and quality of work. There will be no reoccurrence.

My office is a small office that struggles in comparison to larger offices, due to the staffing inequity imposed by the Commonwealth. In fact, for the first time in memory, the General Assembly officially recognized this inherent inequity in legislation enacted this past session granting smaller offices

Clerk of the Circuit Court

G. CHANCE CRAWFORD
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City of Salem, Virginia

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a modicum of relief through the Compensation Board. No matter, I will always stress customer service and meeting the customers' needs above all else.

I would like to commend Randall Johnson for always being both professional and courteous during this most recent audit.

Sincerely,

[Signature on File](#)

G. Chance Crawford
Clerk, City of Salem