

**DEBRA M. SHIPP  
THE CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF ALBEMARLE**

**REPORT ON AUDIT  
FOR THE PERIOD  
JUNE 1, 2007 THROUGH DECEMBER 31, 2008**



-TABLE OF CONTENTS-

	<u>Pages</u>
AUDIT LETTER	1-2
COMMENTS TO MANAGEMENT	3
CLERK’S RESPONSE AND CORRECTIVE ACTION PLAN	4-5



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

May 15, 2009

The Honorable Debra M. Shipp  
Clerk of the Circuit Court  
County of Albemarle

Board of Supervisors  
County of Albemarle

Audit Period: June 1, 2007 through December 31, 2008  
Court System: County of Albemarle

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and 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.

## Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

## Internal Controls

We noted no matters involving internal control and its operation necessary to bring to management's attention.

## Compliance

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues 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 court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable Timothy K. Sanner, Chief Judge  
Robert W. Tucker, Jr., County Administrator  
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

## COMMENTS TO MANAGEMENT

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

#### Properly Reconcile Bank Account

The Clerk has not been identifying and resolving all reconciling items on her bank account since April 2008. 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 resolve all differences immediately when she reconciles the checkbook and system balances to the bank statement.

#### Improve Collections of Delinquent Fines and Cost

The Clerk and her staff are not using the Debt Set-Off Collection Act to collect delinquent fines and cost, since they do not properly use the information from the Department of Taxation. Starting in fiscal year 2006, a court must request the tax refunds through the Department of Taxation's automated accounting system called the Integrated Revenue Management System (IRMS), which requires users have a certification to access the system. Neither the Clerk nor any of her staff have the certification and therefore cannot request Taxation hold tax refunds to pay delinquent fines and costs.

Debt Set-Off Collection Act is an essential tool in collecting unpaid delinquent fines and cost. We recommend that the Clerk and her staff should immediately request training in using IRMS from the Department of Taxation and obtain the certification.

# Commonwealth of Virginia



## RECORDATION & PROBATE

(434) 972-4083

### Deputies

Tonette Morris  
Patsy Minahan  
Kelly Kirschnick  
Travis Morris  
Erika Johnson

Debra M. Shipp, Clerk  
Circuit Court Albemarle County  
Court Square  
501 East Jefferson Street  
Charlottesville, Virginia 22902

## COURT SERVICES

(434) 972-4085

### Deputies

Terri Meeks  
Roxanne Bruce  
Dayna T. Awkard  
Pam C. Melampy

TO: Walter J. Kucharski, Auditor  
Randall Johnson, Senior Specialist

FROM: Debra M. Shipp, Clerk  
Albemarle County Circuit Court

DATE: May 8, 2009

Please accept the following as an explanation and a course of action for the audit conducted for the period of June 1, 2007 through December 31, 2008.

### Properly Reconcile Bank Account

The bookkeeping aspect of the office is new to me and I am in the process of shifting duties in this office which will give me the adequate time needed for reconciling the monthly and daily accounting activities of this office. I will initiate the beginning of computer checks which will more likely alleviate mistakes. I will seek the assistance of the Supreme Court or someone in the accounting field to assist me in the reconciliation. I will be taking the next available FMS class to fully understand the accounting procedures of this office. I have had limited training in the accounting aspects of this office and having worked with it am better able to grasp the entire concept. This position has been handled by one person solely for the last 40 years and I am making notes for guidance for myself and others that may be working with the day to day operation of the accounting procedures.

### Improve Collections of Delinquent Fines and Cost

I have requested the information for the training in IRMS. I, along with a deputy will be taking the training and hope to have the certification by July 1, 2009. I had every intention of completing the training within my first year in office, since it had never been

initiated in the past, but due to many setbacks with personnel I was forced to deal with those issues and the IRMS training was delayed. Once we are certified, I will be continuing to move forward with cross-training so that our office may run efficiently under all circumstances.

Debra M. Shipp, Clerk