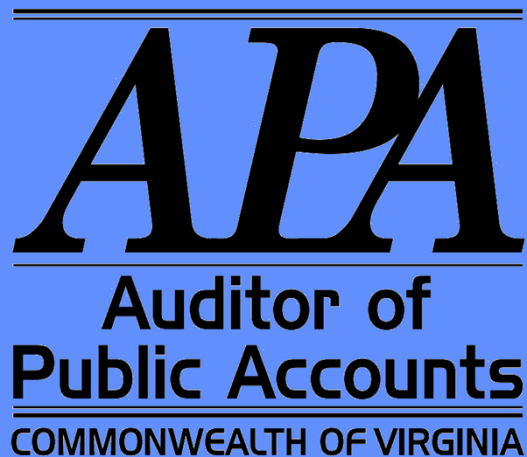


**WILLIAM E. MAXEY, JR.  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF POWHATAN**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2009 THROUGH DECEMBER 31, 2010**



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# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

August 16, 2011

The Honorable William E. Maxey, Jr.  
Clerk of the Circuit Court  
County of Powhatan

Board of Supervisors  
County of Powhatan

Audit Period: July 1, 2009 through December 31, 2010  
Court System: County of Powhatan

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.

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.

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:alh

cc: The Honorable James F. D'Alton Jr., Chief Judge  
Carolyn Bishop, 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

We noted the following or 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 Record Fees

The clerk is not properly recording and collecting court fees. Auditor tested 20 cases and noted the following errors.

- In three cases, the Clerk failed to properly record the DNA fee that could result in a potential loss of revenue to the state and to the locality of \$38.00.
- In one case, the Clerk failed to record the jail admission fee that could result in a potential loss of revenue to the locality of \$25.00.
- In one case, the Clerk failed to obtain the documentation necessary to record the court appointed attorney fee and in another case the Clerk recorded the court appointed attorney fee when it was not required.
- In one case, the Clerk recorded the Fixed Misdemeanor Fee instead of the Fixed Traffic Infraction fee.
- In five cases, the Clerk failed to properly record the "Local Courthouse Security" fee that could result in a potential loss of revenue to the locality of \$60.
- In one case, the Clerk failed to properly record the "Internet Crimes Against Children" fee that could result in a potential loss of revenue to the state of \$20.00.
- In one case, the Clerk failed to properly record the State and Local share of Commonwealth's Attorney Fee that could result in a potential loss of revenue to the state and to the locality of \$25.00.
- In one case, the Clerk recorded the fixed misdemeanor drug fee without proper documentation.

We recommend the clerk make the appropriate corrections to case paperwork. Further, we recommend the Clerk review similar cases to determine if additional cases require correction.

### Request Tax Set Off Refunds

The Clerk failed to collect potentially \$572 of state funds by not requesting the Department of Taxation set off tax refunds for individuals against the amount owed for delinquent fines and court costs as required by Section 58.1-524 (A) of the Code of Virginia. Further, the Chief Deputy Clerk does not have appropriate back-up for instances in which she is not available. The Clerk should promptly respond to tax set-off refunds held by the Department of Taxation.

### Properly Bill and Record Court Appointed Attorney Fees and Fines

In five of 10 cases tested, the Clerk failed to properly bill and record court-appointed attorney fees as required by Section 19.2-163 of the Code of Virginia. These errors resulted in a loss of revenue to the state of \$664 and to the locality of \$1,264. Additionally, the Clerk failed to properly record the fine on local charges resulting in a potential loss of revenue to the locality of \$350.

We recommend the Clerk research all similar cases, make the appropriate corrections to case paperwork, and where appropriate, bill the localities for the applicable court-appointed attorney fees and reimburse the Commonwealth. Further, we recommend the Clerk work with the Office of the Executive Secretary to receive training in these billing practices.

#### Promptly Establish Receivables

The Clerk did not establish accounts receivable on the automated system immediately after final disposition of the case, as required by the Financial Management System User's Guide. We noted delays of up to 12 weeks before the clerk established the receivable. The Clerk should immediately establish the accounts receivable whenever fines and costs are ordered. This should help strengthen collection procedures and increase the collection of court revenue.

# Circuit Court of Powhatan County

CLERK'S OFFICE

P.O. Box 37

Powhatan, VA 23139

(804) 598-5660

WILLIAM E. MAXEY, JR.  
CLERK

ELEVENTH JUDICIAL CIRCUIT  
PAUL W. CELLA  
PAMELA S. BASKERVILL  
JAMES F. D'ALTON, JR.  
JUDGES

August 5, 2011

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

RE: Clerk's Response and Corrective Action Plan  
Audit Period: July 1, 2009 through December 31, 2010  
Court System: County of Powhatan

The following are areas of deficiency involving internal control in this office that were noted by your auditors for the aforesaid period, along with our responses and correction action plans.

## Properly Record Fees and Properly Bill and Record Court Appointed Attorney Fees and Fines

The deputy clerk who performed the majority of these tasks is no longer employed in this office. Improvement will therefore lie in the proper training and monitoring of new personnel. We will emphasize a thorough understanding of the fee system and recording procedures, taking advantage, when possible, of training sessions at the Supreme Court, and will regularly check the accuracy of entries. Use of a check-sheet to assure compliance will be implemented. In addition, every effort will be made, within restraints of time and personnel, to review older cases and make any corrections that may be necessary. Bills for court appointed attorneys will be sent to the proper locality on a regular schedule. The loss of revenue to the State reported in the audit in the amount of \$664.00 has been collected from the locality and deposited into the state account.

## Request Tax Set Off Refunds

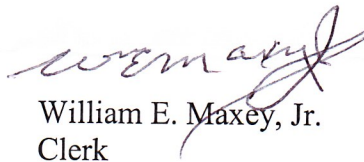
Requests for tax set off refunds will sent to the Department of Taxation on a regular schedule.

Promptly Establish Receivables

We will include the establishment of accounts receivable immediately after the final disposition of each case in the above-mentioned check-sheet, to ensure that this is done in the required manner.

We are confident that careful training of new personnel and the implementation of these procedural changes will significantly improve the accuracy of our casework. We thank the auditors for bringing these areas of deficiency to our attention and are pleased to cooperate with them to improve the situation.

Respectfully submitted,



William E. Maxey, Jr.  
Clerk