



THOMAS E. ROBERTS
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF STAUNTON

FOR THE PERIOD
JANUARY 1, 2017 THROUGH JUNE 30, 2018

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matter 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 Fines and Costs

Repeat: No

The Clerk did not properly bill and collect court fines and costs. In 39 accounts tested, we noted the following errors.

- In five cases, defendants were overcharged \$2,405 in costs.
- In one case, the defendant was not charged \$120 in costs.
- In two cases, fines were miscoded as Commonwealth instead of local.

The Clerk has corrected the specific cases noted above and should update the established 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.

-TABLE OF CONTENTS-

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



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 13, 2018

The Honorable Thomas E. Roberts
Clerk of the Circuit Court
City of Staunton

Carolyn W. Dull, Mayor
City of Staunton

Audit Period: January 1, 2017 through June 30, 2018
Court System: City of Staunton

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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. The Clerk's response and written corrective action plan to remediate this matter is included in the section titled "Clerk's Response and Corrective Action Plan." Our comments related to the Clerk's response are included in the section titled "APA Comments on Clerk's Response."

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

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

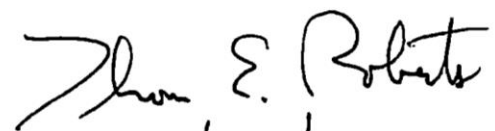
cc: The Honorable Charles L. Ricketts III, Chief Judge
Stephen F. Owen, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

CLERK'S RESPONSE TO APA COMMENTS TO THE CLERK'S RESPONSE

The Clerk appreciates the APA correcting its final draft of Comments to Management by removing the statement alleging there were losses to the locality and by acknowledging that there was a system of review of criminal costs in place prior to the audit.

In its latest comments, however, the APA continues to give a false impression of the percentage of cases with errors by stating there were only 39 cases tested. Those 39 cases were linked to a total of 107 cases, each requiring a separate calculation of court costs and each calculation dependent upon the other linked cases. The actual error rate was close to a third of what the audit comment implied. The APA states in its latest comments: "Other cases that were part of a particular defendant's receivable were not reviewed." The correct criminal costs cannot be determined if the "other cases" are not reviewed. When a defendant has multiple cases heard the same day, court costs are combined, and one financial account is opened. In these situations, the clerk must consider many factors when assessing court costs for each case, including whether the defendant had a public defender, court-appointed attorney, or retained counsel, as well as whether the offense is a state or local charge. If the defendant was represented by a public defender or court-appointed attorney, the clerk must examine each case to determine if it is appropriate to assess attorney's fees. For example, the first cited case (790CR16000323-01) involved six cases in total, each with different file numbers. To determine the correct attorney's fee to assess in the cited case, each of the other cases had to be examined to determine whether the public defender's time sheet was correct. The error cited in that case was actually made in another case with a different file number based on a public defender time sheet that was submitted in General District Court.

The bottom line is that this audit comment was primarily provoked by two easily corrected mistakes, that happened to involve relatively large amounts (\$565 and \$750), that occurred in situations that were unusual and likely will rarely, if ever, happen again, and that could have been discovered if the office had the appropriate staffing to perform more detailed review of court costs. It is the clerk's opinion, based on 27 years of experience in the office, that the cited errors did not rise to the level requiring a comment from the ADA—a comment which may have a negative financial impact on the office.


1/22/19

APA COMMENTS TO THE CLERK'S RESPONSE

In his response to our comments to management, the Clerk asserts that our error rate was calculated incorrectly. As to the accuracy of the number of cases we tested, the Clerk's procedure is to consolidate multiple cases per defendant into one receivable account. However, we specifically tested 39 cases. Other cases that were a part of a particular defendant's receivable were not reviewed in detail; therefore, those other cases are not included in our calculation of the error rate.