



MAYTEE PARHAM
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF PETERSBURG

FOR THE PERIOD
JANUARY 1, 2023 THROUGH JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

With over 800 duties assigned to the role by the Code of Virginia, the Clerk of the Circuit Court has many important responsibilities. Thus, it is critical for the Clerk to provide the proper oversight and training for staff and to exhibit the appropriate tone at the top related to the importance of internal controls over the court's operations, which we found to be inadequate during this audit. We noted numerous deficiencies involving internal control and its operation across multiple areas 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.

Promptly Deposit Collections

Repeat: Yes (first issued in 2023)

The Clerk did not promptly deposit court collections for 36 of 89 (40%) days tested during the audit period, with delays between one and three days. Delaying bank deposits increases the risk of loss of funds and has the potential to delay the remittance of state and local funds. The Clerk should make bank deposits daily as required by the Financial Accounting System User's Guide.

Reconcile Bank Account

Repeat: Yes (first issued in 2023 as Resolve Reconciling Items)

The Clerk did not reconcile the 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 can increase the risk of loss of funds. The Clerk should immediately reconcile the bank account and, going forward, should reconcile the bank account upon receipt of the bank statement and record corrections and adjustments to the financial system timely.

Properly Assess and Bill Court Fines and Costs

Repeat: Yes (first issued in 2021 as Properly Bill and Collect Court Fines and Costs)

The Clerk and the Clerk's staff did not properly assess and bill court fines and costs. In 12 of 89 (13%) cases tested, we noted the following errors.

- The Clerk did not charge defendants in nine cases a total of \$2,377 in court costs.
- For one case, the Clerk miscoded in the financial system a fine of \$200 as local instead of Commonwealth.
- The Clerk overcharged defendants in two cases a total of \$105 in costs.

The amounts above are based on actual errors noted within our sample of court transactions, the impact of which we did not project to all transactions of the court. The Clerk and her staff should correct the specific cases noted above, seek additional training in the assessment and billing of fines and costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should assess and bill court fines and costs in accordance with the Code of Virginia.

Assess Local Courthouse Construction Fee

Repeat: No

The Clerk did not assess the local courthouse construction fee on applicable civil, criminal, and traffic cases. Although the Clerk was aware of the local ordinance authorizing the fee, in effect since 2019, she did not implement the required financial system change that would automatically assess the fee on the applicable transactions. The Clerk should make the necessary system adjustment to ensure the assessment of the local courthouse construction fee in accordance with the local ordinance authorizing it.

Properly Assess and Collect Probate Fees

Repeat: Yes (first issued in 2023 as Properly Bill and Collect Probate Fees and Taxes)

The Clerk does not properly assess and collect probate fees when recording wills. In eight of ten (80%) instruments tested, the clerk did not collect a total of \$123 in fees. The Clerk should properly assess and collect probate fees when recording estates, as required by the Code of Virginia.

Request Tax Set Off Refunds

Repeat: Yes (first issued in 2021)

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax set-off of refunds for delinquent court fines and costs totaling \$3,092, resulting in a loss of revenue to the Commonwealth and locality. Section 58.1-521 of the Code of Virginia requires that all courts use the tax set-off program to collect unpaid fines and costs. Courts must submit claims for setoff of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Properly Manage System Access

Repeat: No

The Clerk did not properly manage access to the court's automated systems. We noted five of ten (50%) system users had access roles that do not align with their job responsibilities. Having individuals with inappropriate access could compromise the integrity of the system and the data it contains. The Clerk is responsible for granting, changing, and terminating access to the court's automated systems. The Clerk should review the current access levels and make revisions, as necessary. Going forward, the Clerk should review system access at least once a year to ensure the level of access of all system users is commensurate with their job duties.

Monitor and Disburse Liabilities

Repeat: Yes (first issued in 2023)

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$380 in liabilities that she should have either paid out or escheated. The Clerk should review all liabilities she is currently holding and disburse as applicable. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide.

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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

January 20, 2025

The Honorable Maytee Parham
Clerk of the Circuit Court
City of Petersburg

Samuel Parham, Mayor
City of Petersburg

Audit Period: January 1, 2023, through June 30, 2024
Court System: City of Petersburg

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 finding reported in the prior year that is not repeated in this report.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH:vks

cc: The Honorable Joseph M. Teefey, Jr., Chief Judge
John Altman, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia



Maytee E. Parham
Clerk Of Petersburg Circuit Court
Seven Courthouse Avenue, Petersburg Virginia 23805
Phone: 804-431-5594

June 25, 2025

Staci Henshaw
Auditor of Public Accounts
Commonwealth of Virginia
Sent via email to staci.henshaw@apa.virginia.gov

Re: Audit Findings Response
Audit Period July 1, 2023, through June 30, 2024

Dear Ms. Henshaw:

I am in receipt of the revised audit report for period July 1, 2023, through June 30, 2024, sent on a holiday, June 19, 2025. My response to your internal control finding report and the corrective actions implemented include but are not limited to the following:

Promptly Deposit Collections

The local bank closed permanently, and the closest location is in the next locality. Bank deposits are taken the next business day. Holiday closures may impact the timely deposits. Reconciling multiple registers may take up to an hour after closing at 4:30pm. The bank closes at 5pm. Deposits are kept in a secured locked drawer within the locked office of the Clerk. During the audit period, no deposits were missing. Deposits are verified at the end of every business day.

Resolve Reconciling Items

During the transition from the past clerk to the current clerk, reconciliation cannot be made. The current clerk requested the assistance of the Supreme Court to reconcile the accounting report of the last clerk with no resolution. The Clerk is working with an accounting firm to reconcile the 901 account of the prior Clerk's last year. The findings are to be reported to the Clerk by the consulting firm by end of Fiscal Year 2025. In the current status, the Clerk will continue to reconcile all monies at the end of each business day. Reconciliatory corrections will be made immediately upon recommendation of the consultant's findings if alterations are necessary for reconciliation.

Properly Assess and Bill Court Fines and Costs

The Clerk was allocated a new position. The duties within this new position is to audit fines and costs. The Clerk will continue to audit fines and costs weekly. The prior audit finding noted 65% of cases tested had errors. This audit noted 13% of cases had errors.

- The auditor reported that defendants were not charged in 9 cases. Court costs were assessed however, these 9 cases were certified from GDC and or JDR Courts and the fees were not listed on the warrant. Although the Clerk has brought this to the attention of the lower courts, Circuit

Court Clerks are now trained to search for fees outside of the warrants, where the fees should be listed by the other courts in accordance with the Supreme Court procedures.

- The one case that was miscoded as a local attorney should have been coded to Commonwealth Attorney. This was corrected on site.
- Defendants were improperly charged \$6,674.00 in the last audit and \$105 this audit period. The Clerk will continue training, and audit fines weekly.

Assess Local Courthouse Construction Fee

The local Courthouse fee of \$2.00 was properly assessed per the local ordinance recorded in the Clerk's Office. An additional fee of \$1.00 was approved by the locality in 2019 that was not recorded in this court or brought to the attention of the Clerk until this audit. Since the audit, the Clerk requested and received from the Clerk of Council the City ordinance and has subsequently been recorded in this office. Supreme Court has added the additional fee to our financial system to automatically populate the fee to ensure the fee is collected.

Properly Bill and Collect Probate Fees and Taxes

The Clerk believes the fees were correctly assessed. The fees in question will be directed to the Supreme Court to clarify.

Request Tax Set-Off Refunds

Training is lengthy through VA Dept of Taxation. Turnover in staffing and lengthy training contributed to the non-finalizing of 3 cases for an entire accounting year. The Clerk will train one more individual to collect fees in the absence of the Clerk and the Finance Clerk.

Properly Manage System Access

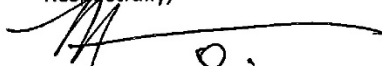
All access levels are reviewed when an employee is hired and terminated, and periodically throughout the year. The Clerk's responsibility is to determine the operational access to employees based on the daily needs of the daily operations. It is necessary to cross train supervising staff, the access levels in question were given to supervising staff. The Clerk will continue review access levels and adjust according to duties.

Monitor and Disburse Liabilities

The 4 cases noted were disbursed in its entirety and within the required timeframe. These cases were two party disbursements. The second party checks were not cashed. Per Supreme Court directive, the Clerk cannot reissue checks without having the original in her possession. The funds were scheduled to be sent to Unclaimed Property in November 2024, the Auditor arrived September 16th, 2024.

I appreciate and value the expertise and suggestions provided by the APA. This office will continue to work to improve upon the areas that can be strengthened through further training, communication, and use of available resources.

Respectfully,



Maytee E. Parham, Clerk
Petersburg Circuit Court

APA COMMENTS TO THE CLERK'S RESPONSE

In the “Properly Bill and Collect Probate Fees and Taxes” section of the Clerk’s response, the Clerk states that she assessed the fees correctly. While the fees the Clerk did assess and collect were correct, the Clerk did not assess and collect all applicable fees for the documents we tested during our audit. For two of the ten wills we tested, the Clerk did assess and collect the appropriate fees. However, we noted the Clerk did not assess and collect all applicable fees for the other eight.

In the section of the Clerk’s response titled “Monitor and Disburse Liabilities,” the Clerk indicates that the funds related to the four cases noted were disbursed in their entirety and within the required timeframe. However, our audit found that, while some of the funds were disbursed in April 2023, a balance remained that the Clerk did not disburse until we brought it to her attention.