

February 26, 2002

The Honorable Susan R. Hopkins  
Clerk of the Circuit Court  
County of Louisa

Board of Supervisors  
County of Louisa

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Louisa for the period January 1, 2001 through December 31, 2001.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Accounts Receivables Management

The Clerk does not follow proper procedures to establish, monitor and collect accounts receivable. Specifically, we found the following conditions:

- The Clerk does not promptly and consistently record unpaid fines and costs. In seven of 20 cases tested, the Clerk did not enter the fines and costs into the court's automated financial management system for up to 45 days after final disposition. The Financial Management System User's Guide requires the Clerk to establish receivables immediately upon final disposition. In six of 20 cases tested, the Clerk entered judgments into the Judgment Lien Docket Book up to 63 days late with another four cases not entered at all. Section 8.01-446 of the Code of Virginia requires the Clerk to enter all judgments in the Judgment Lien Docket Book without delay. Promptly recording fines and costs in the automated system and entering judgments in the

Judgment Lien Docket Book help to increase the likelihood of collecting unpaid fines and costs.

- The Clerk does not consistently enter correct due dates in the court's automated financial management system. In three of the 20 cases tested, the Clerk failed to enter the due date as stated in the original court order, which resulted in a reduced time period for the defendants to pay their fines and costs. In one additional case, the Clerk altered the due date without proper supporting documentation. The Clerk should enter or alter system due dates only with a signed payment agreement or a Judge's court order in accordance with Section 19.2-354 of the Code of Virginia.
- In two of 20 cases tested, the Clerk did not properly assess fines and costs in accordance with Section 19.2-354 and 19.2-163 of the Code of Virginia. In the first instance, the Clerk under assessed the public defender fee by \$705. In the second case, the Clerk assessed the \$10 administrative fee for setting up a time to pay agreement even though there was no such agreement.

These weaknesses hinder the collection of fines, costs and fees. The Clerk should immediately implement procedures to ensure that the receivables of her court are properly established, monitored, and collected.

We discussed these comments with the Clerk on February 26, 2002 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Edward L. Hogshire, Chief Judge  
C. Lee Lintecum, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Don Lucido, Director of Technical Assistance  
Supreme Court of Virginia  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Paul Delosh, Technical Assistance  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts