

March 5, 1999

David C. Mabie  
Clerk of the Circuit Court  
County of Prince William

Board of Supervisors  
County of Prince William

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Prince William for the period July 1, 1996 through March 31, 1998. We conducted our audit in accordance with generally accepted auditing standards.

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. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

#### Improve Receipting Procedures

The Clerk does not have adequate cash receipting procedures to ensure the proper accounting for all funds. Our audit found the following weaknesses:

- *Issue Manual Receipts* – Cashiers do not issue manual receipts for collections when the automated system is down. It is the Clerk's policy to close the cash registers an hour before the Court officially closes. During this time, cashiers accept payments but do not give the payor a receipt. The cashiers receipt the payments in the automated system the next business day. Further, cashiers do not always issue manual receipts when the system is down due to technology reasons. During our audit, we observed that the Public Services Division received \$1,314 in payments during two days when the cash register was down but did not issue manual receipts. The Financial Management System User's Guide instructs Clerks to issue manual receipts for all collections whenever the

automated registers are not in use. The Clerk's failure to issue manual receipts leads to a serious lack of accountability over payments received.

- **Promptly Receipt Collections** – Cashiers do not promptly receipt collections for law and chancery cases. For eight days tested, the cashiers receipted payments from 1 to 4 business days after collection. Daily collections ranged from \$1,200 to \$36,000. Cashiers should receipt all payments immediately when received. Failure to promptly receipt law and chancery payments leads to increased risk of loss of funds received.
- ***Properly Endorse Checks*** – Cashiers do not validate checks received with the receipt number or case numbers. Consequently, the Court cannot easily trace returned checks to the case file or original receipt. The Supreme Court of Virginia can provide the Court automated check validators that endorse the check with all the appropriate information including the receipt and case number. The Clerk subsequently requested this equipment from the Supreme Court.
- ***Keep All Copies of Void Receipts*** – Cashiers do not keep all three copies of void receipts. Our sample of 131 voided transactions found that one-third did not have all three copies of the voided receipts. Cashiers should keep all three copies of void receipts.

These weaknesses in receipting procedures place the Court at unnecessary risk of loss of funds. The Clerk should implement our above recommendations to improve accountability over receipts. Failure to implement adequate receipting procedures could lead to errors or irregularities going undetected. The Clerk should also ensure all cashiers receive adequate training.

#### Assess Taxes and Fees Properly

The Clerk does not properly assess fees according to the Code of Virginia as follows:

- The Criminal Division does not assess the \$2 Drug Enforcement Jurisdiction fee for defendants convicted of multiple charges.
- The Criminal Division does not assess the correct Criminal Injuries Compensation Fund and sentencing fees for defendants in criminal felony indictment cases convicted of misdemeanors.
- Land Records assesses an additional \$10 fee for each additional debtor address indexed on a financing statement. Since the Code of Virginia permits a debtor to list up to 10 names without additional costs, Land Records should not assess fees for additional addresses unless they exceed 10.

These errors result from the staff's misunderstanding of fee schedules and Code of Virginia requirements. The Clerk should ensure his staff understands all fees and receives proper training on fee assessments.

#### Improve Accounts Receivable Management

The Clerk does not establish accounts on the automated system or enter unpaid fines and costs in the Judgment Lien Docket Book until approximately eight to ten weeks after case disposition. The Clerk waits until the Judge signs the court order before calculating costs and recording an account.

To increase the collection of court revenues, the Clerk should establish receivables immediately upon the final disposition of the case as required by the Financial Management System User's Guide. The Clerk should inform defendants of their fines and costs before they leave the courtroom and record all judgments in the Judgment Lien Docket Book promptly.Disburse Bonds Promptly

The Clerk does not promptly disburse criminal cash bonds after ended cases. In 5 of 14 cases tested, the Clerk disbursed the bonds from two to six months after case disposition. The Clerk should promptly disburse bonds at the conclusion of each case.

We discussed these comments with the Clerk on March 22, 1999, and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable LeRoy F. Millette, Jr., Chief Judge  
H. B. Ewert, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Paul Delosh, Technical Assistance  
Supreme Court of Virginia