



AMY P. CRUMP
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF NEW KENT

FOR THE PERIOD
JANUARY 1, 2018 THROUGH DECEMBER 31, 2018

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



COMMENTS TO MANAGEMENT

We noted the following 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.

Request Tax Set-Off Refunds

Repeat: No

The Clerk did not submit a claim to the Virginia Department of Taxation (Taxation) for tax setoff of a refund totaling \$461 for delinquent court fines and costs, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off 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 Review Waivers and Bill Attorney Fees

Repeat: No

The Clerk did not have sufficient controls to ensure proper processing of court-appointed attorney invoices and waivers. Attorneys submit invoices for payment and defendants are billed to recover the costs. Additionally, attorneys may request payment in excess of the statutory cap by submitting detailed waiver applications for approval by the Chief and Presiding Judges. In the case of the available invoice tested, we noted the defendant was over charged \$3,628 in attorney fees and the waiver application was not approved by the Chief Judge.

The Clerk and her staff should correct the specific case noted above and should establish a system of review to minimize the likelihood of approval and billing errors going undetected. In all cases, the Clerk should bill and collect attorney fees in accordance with Code of Virginia.

Retain Voided Receipts

Repeat: No

In three of ten voided receipts tested, the Clerk did not retain all printed copies of the receipt. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should not void receipts unless all copies of the printed receipt are maintained.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

April 2, 2019

The Honorable Amy P. Crump
Clerk of the Circuit Court
County of New Kent

C. Thomas Tiller, Jr., Board Chairman
County of New Kent

Audit Period: January 1, 2018 through December 31, 2018
Court System: County of New Kent

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 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 Clerk and her staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Jeffrey W. Shaw, Chief Judge
Rodney Hathaway, 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

Judge
Hon. B. Elliott Bondurant
P.O. Box 98
New Kent, Virginia 23124
804-966-9525
FAX 804-966-5265



Clerk
Hon. Amy P. Crump
P.O. Box 98
New Kent, Virginia 23124
804-966-9520
FAX 804-966-9528

April 24, 2019

Ms. Martha Mavredes, Auditor of Public Accounts
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

RE: Clerk's Response and Corrective Action Plan
Audit Period 1/1/2018-12/31/2018
Court System: County of New Kent

Dear Ms. Mavredes:

I would like to address the items cited in your Audit Report for the above-referenced period for this office.

Request Tax Set-Off Refunds

The Clerk did not submit a claim to the Virginia Department of Taxation (Taxation) for tax set-off of a refund totaling \$461 for delinquent court fines and costs, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off 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.

Corrective Action:

The Clerk has designated the current Chief Deputy Clerk as an alternate user to the Virginia Department of Taxation. At the time that the error was made the previous Chief Deputy Clerk had not taken the required training due to workload. The Clerk was unable to offer overtime pay to work on a Saturday to get the training done. Also, the office was short staffed due to an employee vacation. The Clerk was doing both her responsibilities and the civil clerk's job duties.

Properly Review Waivers and Bill Attorney Fees

The Clerk did not have sufficient controls to ensure proper processing of court appointed attorney invoices and waivers. Attorneys submit invoices for payment and defendants are billed to recover the costs. Additionally, attorneys may request payment in excess of the statutory cap by submitting detailed waiver applications for approval by the Chief and Presiding Judges. In the case of the available invoice tested, we noted the defendant was over charged \$3,628 in attorney fees and the waiver application was not approved by the Chief Judge.

Corrective Action:

The criminal clerk that over charged the defendant's account is no longer employed by this Clerk's office. The Clerk currently accesses the court appointed attorney fees and posts to the accounts. The current criminal clerk reviews all financial postings as a check and balance procedure. The defendant's that was over charged in error has been corrected.

Retain Voided Receipts

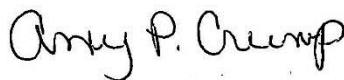
In three of ten voided receipts tested, the Clerk did not retain all printed copies of the receipt. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should not void receipts unless all copies of the printed receipt are maintained.

Corrective Action:

The Clerk has reviewed all procedure for voiding receipts and has also reviewed the procedures with the current Chief Deputy Clerk.

I would like to thank you and your staff for conducting this audit. I found Ms. Vaughan to be both professional and courteous to my staff and me. I welcomed her audit and gained many useful tools for the future.

Very truly yours,



Amy P. Crump, Clerk