



RICHARD W. EDWARDS
CLERK OF THE CIRCUIT COURT
OF THE
COUNTY OF DICKENSON

FOR THE PERIOD
JULY 1, 2015 THROUGH MARCH 31, 2017

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(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.

Properly Bill and Collect Attorney Fees

The Clerk and his staff did not properly bill and collect court-appointed attorney fees. In two of 20 cases tested, the Clerk overcharged defendants a total of \$11,118 in attorney fees.

The Clerk and his staff should correct the specific cases noted above and should establish a 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.

Promptly Disburse Liabilities

The Clerk and his staff do not disburse liabilities promptly. As of March 2017, the Clerk was holding \$1,811 in liabilities that should have been escheated or otherwise disbursed. The Clerk should review the status of all liability accounts and disburse or escheat them as applicable.

Promptly Record Trust Fund Activity

The Clerk does not promptly record interest postings or disbursements on trust fund accounts in the court's financial system. Two out of five interest postings tested were delayed for up to two months. Three of five disbursements tested were not recorded for up to four months.

The Clerk should record earned interest on invested funds immediately upon receipt of the bank statements and disbursements should be recorded as they are made.

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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 12, 2017

The Honorable Richard W. Edwards
Clerk of the Circuit Court
County of Dickenson

Shelbie Willis, Board Chairwoman
County of Dickenson

Audit Period: July 1, 2015 through March 31, 2017
Court System: County of Dickenson

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 court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: The Honorable Jack S. Hurley, Jr., Chief Judge
Glen David Moore, Jr., 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



CIRCUIT COURT CLERK'S OFFICE

Dickenson County

P.O. BOX 190

Clintwood, VA 24228

Email: rwedwards@courts.state.va.us

Richard W. Edwards
Clerk of the Circuit Court
County of Dickenson

Phone: (276) 926-1616

Fax: (276) 926-6465

June 6, 2017

Martha Mavredes,

Please accept my response to the audit conducted by MS Brenda Watkins.

Properly Bill and Collect Attorney Fees

The Clerk and his staff did not properly bill and collect court appointed attorney fees. In two of twenty cases tested, the Clerk overcharged defendants a total of \$11,118 in attorney fees.

The Clerk and his staff should correct the specific cases noted above and should establish a 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.

As MS Watkins stated, we did not understand the fee schedule as to waivers. It does not make common sense to not charge a defendant and let the tax payers pick up the take for over wavier amounts the Court appointed attorney and our Judges signed off on. I am sorry but this is the same method that we have used for the ten years that I have been the Clerk here in Dickenson County. To my knowledge this wavier was never addressed in any of our training classes we have attended under the Office of Judicial Services. This will never happened again, I can assure you and would not have happened if we had known and understood the code section 19.2-354. Both of these we corrected before MS Watkins finished her audit.

Promptly Disburse Liabilities

The Clerk and his staff do not disburse liabilities promptly. As of March 2017, the Clerk was holding \$1,811 in liabilities that should have been escheated or otherwise disbursed. The Clerk should review the status of all liability accounts and disburse or escheat them as applicable.

Of the \$1,811.31 in liabilities that have not been escheated or disbursed, \$1044.16 are 19 checks on the bank reconciliation that are over one year old. Four of these checks, totaling \$241.11 belong to MR. Ray Martin, which I again visited with while MS Watkins was doing the audit and asked again for him to please cash the checks he was holding and as of Thursday April 13, 2017 he has still not cashed them. What do you do with an elderly gentleman that just will not take them to the bank. Three checks that were on the outstanding list has been reissued totaling \$260.55 as of last Thursday. Our plan is to escheat any check issued and not cleared our account, with in thirteen months of date of issued to the State.

Promptly Record Trust Fund Activity

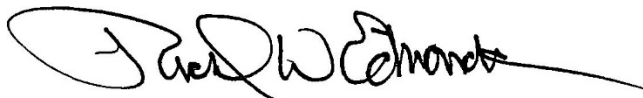
The Clerk does not promptly record interest postings or disbursements on trust fund accounts in the court's financial system. Two out of five interest postings tested were delayed for up to two months. Three of five disbursements tested were not recorded for up to four months.

The Clerk should record earned interest on invested funds immediately upon receipt of the bank statements and disbursements should be recorded as they are made.

The interest amount of \$1.79 was not posted to the 6/30/16 reconciliation as quickly as it should have been, but it was posted, just not as timely as it will be in the future. The issued was already addressed before the audit by asking BB&T to issued quarterly statements, not monthly as has been in the past. All trust funds are disbursed within thirty days from the date of disbursement order signed by Judge Henry A. Vanover

Again I would like to express my appreciation to MS Watkins for her proficient methods of conducting business. This young lady is very knowledge of both the accounting process plus understands the code of Virginia better than most attorneys' I know and trust.

Richard W. Edwards

A handwritten signature in black ink, appearing to read 'Richard W. Edwards', with a long horizontal flourish extending to the right.

Circuit Court Clerk