

**SHARON P. OLIVER  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF CRAIG**

**REPORT ON AUDIT  
FOR THE PERIOD  
JANUARY 1, 2011 THROUGH MARCH 31, 2012**



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## 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

The Clerk failed to collect potentially \$168 of state and local funds. She did not request the Department of Taxation set off refunds for individuals against the amount owed for delinquent fines and court costs as required by Section 58.1-524 (A) of the Code of Virginia. The Clerk should promptly respond to tax set off refunds held by the Department of Taxation.

### Properly Bill and Collect Probate Taxes and Fees

In 13 of 20 estates, the Clerk and her staff had errors billing and collecting taxes and fees when recording wills and administrations.

- In one estate, the Clerk miscoded the state probate tax as clerk's fee totaling \$48.
- In one estate, the Clerk miscoded the state library fee and the Clerk's fee as local probate tax totaling \$45.
- In two estates, the Clerk did not bill the individuals for the library fee or the recording fee totaling \$19.
- In 11 of the total of 13 estates with errors, the Clerk did not bill the individuals for the transfer fee totaling \$11.
- In one estate, the Clerk over-charged the individuals for Clerk's fees of \$4 and state library fees of \$1.

The Clerk should work with her staff to ensure they have a thorough understanding of the probate taxes and fees. Further, the Clerk and her staff should bill and collect state taxes and fees in accordance with the Code of Virginia.

### Properly Bill and Collect Court Costs

In ten of 20 criminal cases tested, the Clerk and her staff had the following errors billing and collecting court costs.

- In one case, the clerk incorrectly classified a fine of \$1,000 as a local violation rather than a state violation.
- In six cases, the clerk did not charge court appointed attorney fees totaling \$424.
- In three cases, the clerk overcharged defendants for the following: Fixed Misdemeanor Fees totaling \$183, the Courthouse Security Fees totaling \$30 and the Internet Crimes against Children Fees totaling \$20.
- In one case, the clerk under-charged a defendant for jury fees totaling \$90.

- In one case, the clerk did not charge the defendant for DNA fees totaling \$25.
- In one case, the clerk miscoded the DNA fee as Commonwealth Attorney Share totaling \$25.

The Clerk should correct these specific cases. Further, the Clerk and her staff should request additional training relating to billing and collections of court costs offered by the Office of Executive Secretary of the Supreme Court of Virginia. The Clerk should bill and collect court costs in accordance with the Code of Virginia.

#### Improve Accounts Receivable Management

In five of 24 cases tested, the clerk did not correctly enter receivables in the accounting system.

- In one case, the Clerk did not set up a receivable totaling \$203 on a guilty disposition.
- In one case, the Clerk did not enter the date correctly in the incarcerated field, resulting in an incorrect due date.
- In two cases, the Clerk did not enter the date correctly in the FMS Type field, resulting in an incorrect due date.
- In one case, the Clerk entered the incorrect due date.

The Clerk should correct these specific cases noted above. Further, the Clerk should request additional training from the Office of Executive Secretary relating to the establishing of accounts receivable in the automated accounting system. The Clerk should ensure the accounting system accurately reflects the time to pay agreement signed by the defendant.



# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

July 26, 2012

The Honorable Sharon P. Oliver  
Clerk of the Circuit Court  
County of Craig

Millie Harrison, Board Chairman  
County of Craig

Audit Period: January 1, 2011 through March 31, 2012  
Court System: County of Craig

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and 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.

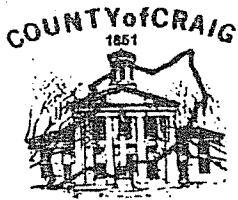
We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure 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

WJK:alh

cc: The Honorable Malfourd W. Trumbo, Chief Judge  
Richard Flora, 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



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**KATHY MARTIN**  
DEPUTY CLERK  
**RITA H. STEBAR**  
DEPUTY CLERK

**JULY 11, 2012**

**Mr. Kucharski**  
**Auditor of Public Accounts**

I would like to respond to the audit that your office did for the period of January 1, 2011 through March 31, 2012. First, I would like to thank your auditors for being so courteous and helpful during the audit. I took office in November 15, 2010, I had to learn every task in the clerk's office and I acknowledge our office needs more training.

We have Norma Gates coming on July 25, 2012 to help us understand Probate Delivery System. At first I was not using the FMS receipt, which transfers the cost to the system. I don't know why it is not adding the state library fee; I will ask Norma when she comes. On the transfer fee I was not checking "Yes".

On the cost and fines we acknowledge we need more training and Martin Watts is coming July 27, 2012 to help us. Most of the cases that were checked are unpaid and had been corrected.

I did not have a sign on for IRMS at the time to ask for the \$168.00, I now have a sign on and have collected 2 tax set off funds this year.

In closing, I acknowledge our office needs training and we want to make sure we are running our office to comply with state laws, regulations and policies.

Once again, I would like to extend my thanks for all the help and support by your staff during this audit.

If you have any question or concerns please contact me at 540-864-6141.

Sincerely,

A handwritten signature in black ink that reads "Sharon P. Oliver, Clerk". The signature is written in a cursive, flowing style.

SHARON P. OLIVER, CLERK  
CRAIG COUNTY CIRCUIT COURT