

**EUGENE WINGFIELD
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF LYNCHBURG**

**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.

Properly Bill and Collect Probate Taxes and Fees

As noted in the prior year audit, the Clerk and his staff did not properly bill and collect probate taxes, fees when recording wills, and administrations. In seven of 15 estates tested, the auditor noted the following errors.

In one estate, the Clerk did not bill the individual for state probate taxes of \$25.

In three estates, the Clerk over-charged the individuals for clerk's fees of \$16 and state library fees of \$3.

In two estates, the Clerk miscoded the state library fee as clerk's fee totaling \$3.

In one estate, the Clerk miscoded the local transfer fee as clerk's fee totaling \$1.

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

Improve Efficiency in the Office

The Clerk does not use some of the automated features available to him and his staff. Specifically, the Clerk should consider changing the following.

The Clerk maintains a manual checkbook register rather than using the automated checkbook register.

The Clerk prepares manual checks rather than using the automated check-writing feature.

The Clerk manually prepares checks to the State Treasurer rather than using electronic funds transfer.

Using these automated features could help the Clerk's staff perform their job duties more efficiently and maximize the current level of staffing. Additionally, these automated features could help reduce errors by eliminating manual processes.



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

May 8, 2012

The Honorable Eugene Wingfield
Clerk of the Circuit Court
City of Lynchburg

Joan Foster, Mayor
City of Lynchburg

Audit Period: January 1, 2011 through March 31, 2012
Court System: City of Lynchburg

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:clj

cc: The Honorable John T. Cook, Chief Judge
L. Kimball Payne, City Manager
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



EUGENE C. WINGFIELD, CLERK

CLERK'S OFFICE

LYNCHBURG CIRCUIT COURT

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Lynchburg, Virginia 24505
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Facsimile 434-847-1864

MOSBY G. PERROW, III, JUDGE
F. PATRICK YEATTS, JUDGE

May 15, 2012

Mr. Walter J. Kucharski
Auditor of Public Accounts
PO Box 1295
Richmond, VA 23218

Dear Mr. Kucharski,

Reference Audit Period: January 1, 2011 through March 31, 2012

I am in receipt of the auditor's letter dated May 8, 2012. I was pleased during the exit interview by your auditors that this office fared very well with the exception of the noted issues contained within your report. I will address each area and what this office is doing in order to correct each issue.

1. Properly Bill and Collect Probate Taxes and Fees

Report noted: The Clerk and his staff did not properly bill and collect probate taxes, fees when recording wills, and administrations. In seven of fifteen estates tested, the auditor noted the errors listed in the report.

Response:

In the process of completely reorganizing the area of this office that processes and records the probating of wills and estates, we clearly made the errors noted in the report. As a result of the audit report of 2010/2011, we now have a full time position devoted to this function. We have made great strides in this department and all work is now processed and recorded in the same day that it is offered to this office. New fee schedules have been developed and posted to ensure that the correct fees are collected. This area has been discussed and reviewed to ensure proper collection.

2. Improve Efficiency in the Office

Report noted: The Clerk does not use some of the automated features available to him and his staff

Response: This area has to do with strictly using an automated check-writing features and the transferring of State Treasurer Funds by way of a electronic transfer. We presently do write checks by using paper checks for a minimal number of things, many bills are paid and tracked by using a credit card payment feature. Our present bank does allow the ability of processing the State Treasurer funds by electronic means. However, our bank charges a \$25.00 fee per transfer for this feature. This would cost this office \$200.00 per month of the taxpayers dollars. I have spoken with our bank regarding the wavier of these fees and have been unsuccessful at this point.

May 15, 2012

Audit period: January 1, 2011 through March 31, 2012

This office will consider this prior to the next audit period. As noted in the audit report by the auditor, "these automated features could help reduce errors by eliminating manual process". This office has done an outstanding job over the last audits in regards to properly processing payment related work. This area has not been a problem for this office as noted in previous audit reports.

I continue to be very proud of the staff that I have within this office. Since I took office as the Clerk of this Court in late 2010, a tremendous amount of improvements have been completed in regards to the structural make-up of this office. Areas that have affected include software upgrades, new computer terminals for all employees, security issues and alignment of employees to allow us to deliver services much more efficiently.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene C. Wingfield", with a stylized flourish at the end.

Eugene C. Wingfield
Clerk
Lynchburg Circuit Court Clerk's Office
900 Court Street
Lynchburg, VA 24504
434-455-2620

cc: Judge Mosby G. Perrow, III, Chief Judge
Mr. Kimball Payne, Lynchburg City Manager
Mr. Randy Johnson, Auditor