



GARY S. ANDERSON
CLERK OF THE CIRCUIT COURT
OF THE
CITY OF NEWPORT NEWS

FOR THE PERIOD
APRIL 1, 2015 THROUGH SEPTEMBER 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA
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COMMENTS TO MANAGEMENT

We noted the following matter 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 Court Costs (new)

The Clerk and his staff did not properly bill and collect court costs. In 20 of 58 cases tested, we noted the following errors.

- In eight cases, the defendants were not billed \$2,282 in court costs.
- In six cases, the defendants were overcharged a total of \$6,306 in court costs.
- In three cases, revenue coding errors caused losses to the state of \$2,610.
- In three cases, revenue coding errors caused losses to the locality of \$533.
- In one local case, the locality was not billed for the use of the public defender's services, resulting in a loss to the state of \$60.

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.

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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

January 9, 2017

The Honorable Gary S. Anderson
Clerk of the Circuit Court
City of Newport News

McKinley L. Price, Mayor
City of Newport News

Audit Period: April 1, 2015 through September 30, 2016
Court System: City of Newport News

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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment 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 Bryant L. Sugg, Chief Judge
James M. Bourey, 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



GARY S. ANDERSON
Clerk

CHERYL Q. PENNY
Chief Deputy

Clerk of the Circuit Court

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February 2, 2016

VIA EMAIL ONLY

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

Re: Newport News Clerk of Circuit Court
Audit Report Period April 1, 2015 through September 30, 2016

Dear Ms. Mavredes:

I am in receipt of final draft version of the audit report dated January 9, 2016. Steps have been taken to address the issues described in the section titled Comments to Management regarding the assessment of court costs including but not limited to the following:

- Correcting the cases in question to reflect the proper assessment of costs resulting in a \$0 loss to the Commonwealth, City or defendants.
- Use of the LIDS DNA Sample Tracking website to properly review each defendant's history to determine if a DNA sample needs to be taken and charged accordingly
- Clerks will be filing all DC-30 forms in the individual files to facilitate the proper assessment of court-appointed attorney fees as well as other costs associated with the case
- Proper documentation of costs as they occur during the pendency of the case
- Preparing a written guideline for review of General District Court cases and the costs assessed by them as well as a meeting with the deputies to review the proper techniques for accurate assessment of court costs
- Reviewing and assuring that attorney fees granted through the Application and Authorization for Waiver of Fee Cap [Form DC-40(A)] are not assessed against the defendant

As always, I appreciate the expertise and direction provided by the APA to ensure complete fiscal compliance with the myriad of ever changing statutes and directives regarding the assessment of court costs and fees and the management of funds held for others. Although some issues identified predate my ascendancy to heading the office as clerk, be assured that corrective measures have and will be implemented.

Sincerely,

Gary S. Anderson
Clerk

cc: The Honorable Bryant L. Sugg, Chief Judge
James M. Bourey, City Manager
Robyn M. De Socio, Executive Secretary Compensation Board
Paul F. DeLosh, Director of Judicial Services, Supreme Court of Virginia
Katherine St. Lawrence, Senior Auditor, Local Government and Judicial Systems