



PATRICIA L. HARRINGTON  
CLERK OF THE SUPREME COURT OF VIRGINIA

REPORT ON AUDIT  
FOR THE PERIOD ENDED  
JULY 1, 2013 THROUGH JUNE 30, 2014

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.

### **Promptly Deposit Collections**

The Office of the Clerk of the Supreme Court of Virginia (Clerk's Office) did not deposit all collections promptly. Section 2.2-806 of the Code of Virginia requires clerks of court to deposit state moneys with the state treasury twice each week, or once a week if collections are less than \$5,000. In seven out of 24 deposits tested, we found instances in which checks and money orders were not deposited within one week. In one instance, a receipt was held for more than seven months. Untimely deposit of collections increases the risk of loss or misappropriation of funds.

The Clerk's Office should evaluate its current controls and processes for depositing collections to ensure that receipts are deposited in accordance with the 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

June 22, 2015

The Honorable Patricia L. Harrington  
Clerk of the Supreme Court of Virginia  
Audit Period: July 1, 2013, through June 30, 2014

We have audited the cash receipts of the Clerk of the Supreme Court of Virginia. Our primary objectives were to test the accuracy of cash receipts recorded on the Court's financial 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.

The Office of the Executive Secretary of the Supreme Court of Virginia (Supreme Court) provides administrative support to the Clerk of the Supreme Court of Virginia in the areas of appropriations, budgeting, payroll, procurement and purchasing, and systems support. We audit internal controls over these processes and issue a separate report on our results when we perform the audit of the Supreme Court. Therefore, the scope of our audit of the Clerk of the Supreme Court of Virginia was limited to court cash receipts. Our most recent report titled, "Virginia's Judicial System" and dated July 29, 2014, covers the audit period July 1, 2011, through June 30, 2013.

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. The 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:clj



## SUPREME COURT OF VIRGINIA

PATRICIA L. HARRINGTON, CLERK

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DOUGLAS B. ROBELEN  
CHIEF DEPUTY CLERK

June 22, 2015

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

Re: Audit of Supreme Court of Virginia Clerk's Office

Dear Ms. Mavredes:

Noah Johnson provided me with an email on April 29 that detailed checks or money orders that were not deposited within 7 days of their receipt. These will be broken down into the types of fees at issue.

\$250 fees are those received for out-of-state attorneys who are admitted *pro hac vice* in Virginia courts in order to represent a party in a particular case. Some of those are submitted directly to this Court for cases pending here, but the vast majority are forwarded to us by clerks in circuit courts or general district courts. Occasionally, we receive a \$250 check from a lower court without any of the supporting documentation that is required to be forwarded with the check. In such instances, I have instructed my staff not to deposit the check until such paperwork is received since we otherwise cannot determine the name of the attorney, the case, or any other relevant information connected to the fee. Although the deputy clerk who handles such matters is diligent about immediately contacting the court who forwarded the check, we will sometimes not receive a response from that court until more than a week later. I have now asked her to make notes about such situations so that specific information can be provided for any future audits.

\$50 fees are received as filing fees for certain petitions filed with this Court. We now deposit those fees when received with the petition, even if there appears to be a potential issue with the fee. However, we sometimes receive a \$50 fee without any

explanation or supporting document (often from a prison on behalf of an inmate). My policy is not to return the fee, since the timely paying of the fee is required in order to avoid dismissal of some documents by this Court. Instead, the chief deputy clerk immediately writes to the inmate whose name is referenced on the check or money order to request information about the fee. This will always take more than a week to resolve and we deposit the fee when the related petition is finally received and a case number can be assigned to the petition and referenced on the check or money order. I have also directed the chief deputy clerk to make written notes of these instances so that specific information can be provided to the auditor in the future.

The \$15 fees are for good-standing certificates requested by attorneys for filing in another jurisdiction. The person who handles that paperwork is diligent about processing the fees. Therefore, I have to assume that any fault about not timely depositing those fees is due to the receptionist-bookkeeper. I will note that the receptionist-bookkeeper has since left this office. I also note that some of the \$15 fees that were not timely deposited were received around the holidays when this office was closed for several extra days.

Finally, I have again expressed to my staff the importance of placing a date stamp on all checks and money orders and then timely depositing them. I've also told them that if they encounter an issue with a fee, they need to discuss the matter with their supervisor and document any explanation as to why that fee wasn't immediately deposited. Thank you for your consideration of this response.

Sincerely yours,



Patricia L. Harrington  
Clerk

PLH/th