



CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF NEWPORT NEWS

FOR THE PERIOD
OCTOBER 1, 2016 THROUGH DECEMBER 31, 2017

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(804) 225-3350



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 Locality for Attorney Fees

Repeat: No

The Clerk does not have sufficient procedures for billing the locality for court appointed attorney and public defender fees. When a public defender or court appointed attorney represents a defendant charged with a local offense, the Clerk is required to bill the locality for reimbursement to the Commonwealth. In eight local cases tested, the locality was not billed for the use of the public defender's services, resulting in a loss of \$802 to the Commonwealth.

The Clerk should establish appropriate procedures to ensure the locality is billed, when applicable, for public defender and court appointed attorney fees.

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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

February 13, 2018

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

McKinley L. Price, Mayor
City of Newport News

Audit Period: October 1, 2016 through December 31, 2017
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.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior year that is not repeated in this letter.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the Clerk and his staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Bryant L. Sugg, Chief Judge
Cynthia Rohlf, 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

2500 Washington Avenue
Newport News, VA 23607-4307



Phone (757) 926-8561
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February 28, 2018

VIA EMAIL ONLY

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

Re: Newport News Clerk of Circuit Court
Audit Report Period October 1, 2016 through December 31, 2017

Dear Ms. Mavredes:

I am in receipt of final draft version of the audit report dated February 13, 2018. Steps have been taken to address the issues described in the section titled Comments to Management regarding the proper billing of the locality for attorney fees including but not limited to the following:

- Correcting the cases in question as well as others discovered after a thorough review to reflect the proper billing of the locality
- Implementing checks and balances while docketing local attorney fees to verify that the bookkeeper is receiving the proper forms
- Begin use of the month end report CR42 which lists all locality cases with appointed attorneys or public defenders to see if attorney time sheets were submitted
- Reminders on costs sheets to court clerks to forward the information to the bookkeeper

As always, I appreciate the expertise and direction provided by Katherine St. Lawrence and 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.

Sincerely,

Gary S. Anderson
Clerk