



**TRACI L. JOHNSON
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF NORTHAMPTON**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2011 THROUGH MARCH 31, 2013**

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 Court Costs and Fines

The Clerk and her staff did not properly bill court costs and fines resulting in a potential loss of revenue to the Commonwealth and locality. In seven of 30 cases tested, we noted the following errors.

- In two cases, the Clerk did not bill defendants for court-appointed attorney fees, resulting in a potential loss to the Commonwealth.
- In four cases, the Clerk miscoded fines as local instead of state, resulting in a potential loss to the Commonwealth.
- In one case, the Clerk miscoded fines as state instead of local, resulting in a potential loss to the County.

The Clerk should correct these specific cases noted above. Further, the Clerk should work with her staff to ensure they understand the billing and collecting requirements and, if necessary, request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

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Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 24, 2013

The Honorable Traci L. Johnson
Clerk of the Circuit Court
County of Northampton

Willie C. Randall, Board Chairman
County of Northampton

Audit Period: April 1, 2011 through March 31, 2013
Court System: County of Northampton

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

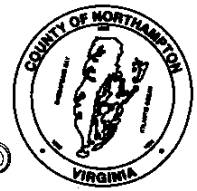
AUDITOR OF PUBLIC ACCOUNTS

MSM:ljh

cc: The Honorable Edward W. Hanson, Jr., Chief Judge
Katherine H. Nunez, 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



Clerk's Office
CIRCUIT COURT OF NORTHAMPTON COUNTY
Commonwealth of Virginia



Oldest Continuous Court Records in America

Hon. W. Revell Lewis, III
Resident Judge

Traci L. Johnson
Clerk of Court

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9 September 2013

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

Audit period: April 1, 2011 through March 31, 2013
Court System: County of Northampton

Dear Auditor Mavredes,

I am in receipt of the draft audit letter and have worked intently on the issues since the audit.

With respect to the three comments to management (which were related to six misdemeanor appeal files):

1. Attorney's fees: both cases were corrected at the time of the finding. New D225's were mailed to the defendants in both cases and one has since been paid in full. The second file is in default and has been sent to collections. The corrections affirmed no loss of revenue to the Commonwealth. Typically attorneys are retained in traffic appeal cases or defendants appear on their own behalf. I have put in place a new procedure for double checking all court costs entered which is currently working effectively.

2. Properly Coding Fines as Local instead of State: four cases were corrected at the time of the finding. Two of the cases were updated in FMS with a change from the locality code to account code 110 and new D225's were mailed to the defendants, however, these two cases are in default and are currently in collections. The remaining two cases were updated by journal vouchers and have been paid in full. These corrections affirmed no loss of revenue to the Commonwealth and created an adjustment to two locality codes at end of month processing.

3. Properly Coding Fine as State instead of Local: one case was corrected at the time of the finding. A new D225 was mailed to the defendant; however, the case is in default and has been sent to collections. This correction affirmed no loss to the Commonwealth or the locality.

Having intently worked on situations 2 and 3, I have sought guidance and interpretation from the Supreme Court of Virginia through the Circuit Team and from my Resident Judge. I have also conferred with the Clerk of the General District Court. Apparently the issue of coding fines local vs. state boils down to whether or not the ordinance for the locality is written on the traffic summons by the officer. An email dated 03/16/2009 from Paul DeLosh to ONLY General

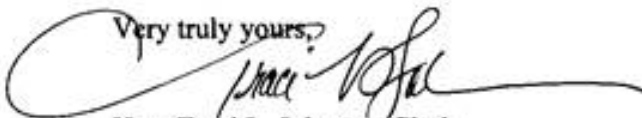
District and JDR Clerks & Deputy Clerks was circulated. This email NEVER reached Circuit Courts. Therefore the discovery of this issue during my two-year audit was the first I had heard of it. I now understand it and have trained my staff thoroughly on the issue. During the audit I had tossed around the idea of a blanket order to possibly cover charges starting out local remaining local unless otherwise being indicated. After talking with the Chiefs of Police in the Incorporated Towns and with local officers, this idea would not work. Judge Lewis also did not support the thought. The burden of local vs. state lies with each officer. I would like to stress the fact that I am new to the issue and I respect its purpose. The clerk of the General District Court annually sends a reminder memo to all officers stressing the importance of noting ordinance codes on each summons. Apparently the findings in my office stemmed from files before widespread education of the issue was shared with officers. Newer misdemeanor appeal files seem to be without fault. Accomack and Northampton Counties have large numbers of incorporated towns compared to other counties/cities throughout the state.

In summary, I contacted Chiefs of Police and local officers and reviewed the procedure, thereby placing the burden of properly coding adopted traffic ordinance violations on the officers who write the summonses. We further discussed situations where charges that are amended in open court will need to be addressed by the officers asking the court to enter the local ordinance notation at the amendment if appropriate. In conclusion, I feel strongly that this is an issue that could well have been headed off had I known about it sooner. As I have indicated, Circuit Courts (and my office in particular) were not trained or notified on this subject. Communications after the fact from a 2009 email and a discovery in my audit have certainly brought to light the simple remedy. It is my sincere hope, however, that I not be charged with management points for the reasons as stated. Through these findings, I am confident that the Circuit Team at the Supreme Court will follow up with all Clerks in Circuit Courts regarding local vs. state fines.

Finally, I have corrected the specific cases noted and have worked closely with my staff to ensure their understanding of billing and collecting requirements. My three deputies are fully cross trained. Workload measures for my office have indicated for several consecutive years that I am understaffed. The addition of one full time person would have a positive impact on daily operations and further assure effectiveness and efficiency in continual compliance of laws, regulations and policies.

Thank you for your professionalism, patience and guidance during my audit. It is always a pleasure working with Stephanie Serbia and the APA team.

Very truly yours,



Hon. Traci L. Johnson, Clerk

cc: The Honorable Edward W. Hanson, Jr., Chief Judge
Katherine H. Nunez, County Administrator
Robyn M. de Socio, Executive Secretary
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