



GEORGE E. SCHAEFER
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF NORFOLK

FOR THE PERIOD
JANUARY 1, 2017 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.

Monitor and Disburse Liabilities

Repeat: No

The Clerk does not properly monitor and disburse liabilities, specifically those related to expungements. For ten accounts totaling \$910, the Clerk did not follow the court order to either refund the monies to the plaintiff or remit the monies to the state treasury. The Clerk should monitor these accounts on an ongoing basis and follow the court order when the case is finalized.

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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

March 13, 2018

The Honorable George E. Schaefer
Clerk of the Circuit Court
City of Norfolk

Kenneth Cooper Alexander, Mayor
City of Norfolk

Audit Period: January 1, 2017 through December 31, 2017
Court System: City of Norfolk

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 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 Jerrauld C. Jones, Chief Judge
Douglas L. Smith, 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

Clerk of Court
George E. Schaefer

Chief Deputy
Thomas A. Larson

Executive Assistant
Cheryl A. Dougherty

COMMONWEALTH OF VIRGINIA



OFFICE OF THE CLERK FOURTH JUDICIAL CIRCUIT NORFOLK CIRCUIT COURT

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Norfolk, Virginia 23510
(757) 769-8539

Supervising Deputies

Criminal
Susan Lawson
Civil, Deeds & Probate
Crystal Porter
**Licenses, Permits, Finance
& Jury**
Gerald L. Stokes

Comptroller
Nicholas D. Georges

Systems Administrator
Gregg J. Duquette

March 23, 2018

Ms. Martha S. Mavredes
Auditor of Public Accounts
James Monroe Building
101 North 14th Street 8th Floor
Richmond, Virginia 23219

Dear Ms. Mavredes;

This office was honored to host the circuit court team the week of March 5, 2018. The audit conducted covered the period of January 1, 2017 through December 31, 2017. During that period the team found ten accounts totaling \$910.00 that were not immediately transferred to the appropriate account. These accounts, per the recent rules related to expungements, were held in the escrow account established in the Financial Accounting System (FAS) established by the Office of the Executive Secretary of the Supreme Court of Virginia.

Three of the ten expungements attached to these accounts were granted and the filing fee was refunded to the petitioners. The remaining seven accounts were transferred to the appropriate account immediately upon notification from your team. Additionally, I have implemented procedures to prevent holding funds in escrow longer than necessary.

We welcome the findings of the auditors. They ensure that every dollar is properly accounted for and any shortcomings are quickly and professionally addressed. With over sixty million dollars flowing through this office in any given year, I am impressed with the detail your team shows to ensure the highest standards related to fiscal responsibility.

I look forward to our continued partnership on behalf of the citizens of this great Commonwealth.

Very truly yours,

A handwritten signature in black ink that reads 'George E. Schaefer'.

George E. Schaefer, Clerk

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