



**TINA E. SINNEN
THE CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF VIRGINIA BEACH**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2012 THORUGH MARCH 31, 2013**

COMMENTS TO MANAGEMENT

We noted the following matters 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 Retain Void Receipts

In three of 13 receipts tested, the Clerk did not retain all copies of voided receipts. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and tightly controlled. The Clerk and his staff should retain all copies of voided receipts as required by the Financial Management System User's Guide.

Properly Bill Attorney Fees

The Clerk and her staff did not properly collect court costs and fines resulting in a potential loss of revenue to the Commonwealth and locality. In three of 11 cases tested, the auditor noted the following errors.

- In one local case, the Clerk incorrectly billed the Commonwealth instead of the locality for \$278 in court-appointed attorney fees.
- In two cases, the Clerk did not bill the locality for public defender fees of \$316, resulting in a loss to the Commonwealth.

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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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 25, 2013

The Honorable Tina E. Sinnen
Clerk of the Circuit Court
City of Virginia Beach

William D. Sessoms, Jr., Mayor
City of Virginia Beach

Audit Period: January 1, 2012 through March 31, 2013
Court System: City of Virginia Beach

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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters 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 court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Edward W. Hanson, Jr., Chief Judge
James K. Spore, 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



Office of the Clerk of the Circuit Court

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Tina E. Sinnen
Clerk

TO: Martha Mavredes
Auditor of Public Accounts – Judicial Systems

FROM: Tina E. Sinnen, Clerk
Virginia Beach Circuit Court

RE: Audit August 7, 2013 – Possible Findings

DATE: August 29, 2013

With regard to our audit findings this year, we have met with Stephanie Serbia regarding the findings.

With reference to Properly Billing Attorney Fees:

We have corrected the cases in which she found the errors. We have met with the staff and have gone over the steps necessary to correct procedures that may have lead to these errors. I would also like to point out that although we strive to do the best job we can, errors will be made, especially considering the volume of work that we do in this office. We collect millions of dollars in fees each year and do our best to collect it accurately and efficiently.

With reference to Properly Retain Void Receipts:

I would like to first say that in the cases found where all copies of voided receipts were not kept, that it did not, in fact, lead to any loss of revenues or assets. We have met with staff to point out the increased risk for fraudulent activity by not keeping all copies of a voided receipt as is required. Hopefully this will not happen in the future; however, if it did, we have put procedures in place with our bookkeeping staff to correct this error properly should it happen.

We would like to thank Stephanie for her diligence and courtesy in completing our Audit, and for meeting with us to go over these errors and procedures that would correct these errors. If you have any questions, please contact me at (757) 385-8817.