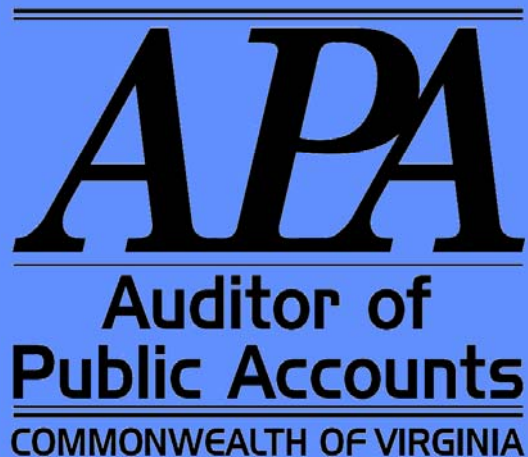


**THE CLERK OF THE  
CIRCUIT COURT  
FOR THE  
COUNTY OF LOUDOUN**

**REPORT ON AUDIT  
FOR THE PERIOD  
OCTOBER 1, 2007 THROUGH MARCH 31, 2009**



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# Commonwealth of Virginia

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

**Walter J. Kucharski, Auditor**

July 29, 2009

The Honorable Gary M. Clemens  
Clerk of the Circuit Court  
County of Loudoun

Board of Supervisors  
County of Loudoun

Audit Period: October 1, 2007 through March 31, 2009  
Court System: County of Loudoun

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

## Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

## Internal Controls

We noted no matters involving internal control and its operation necessary to bring to management's attention.

## Compliance

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues 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

WJK:clj

cc: The Honorable Jeffrey R. Parker, Chief Judge  
Linda Neri, 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

## COMMENTS TO MANAGEMENT

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

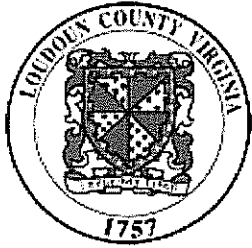
### Properly Assess Fines and Costs

The clerk does not properly assess fines and costs as required by Sections 19.2-163 and 17.1-275 of the Code of Virginia. Specifically, we tested 31 cases and found the following assessment errors.

- Thirteen state cases with public defender fees assessed as local costs.
- Four cases with fines assessed incorrectly for various reasons.
- Seven cases with costs not fully assessed or improperly allocated state and local costs.

We determined a total loss of \$3,914 for the Commonwealth, and \$150 for the locality. We recommend the Clerk recover these funds and review all similar cases to determine if there are other assessments, which require correction and collection. Additionally, the Clerk should review the Court's procedures and determine if there is a need to implement changes and provide staff additional training as appropriate.

20:24 60.82 710



COMMONWEALTH OF VIRGINIA  
**COUNTY OF LOUDOUN**  
**OFFICE OF THE CLERK OF CIRCUIT COURT**

P.O. Box 550  
LEESBURG, VIRGINIA 20178  
LOCAL 703-777-0270  
[www.loudoun.gov/clerk](http://www.loudoun.gov/clerk)



**Brenda S. Butler**  
Chief Deputy

**Gary M. Clemens**  
Clerk

**William L. Loy**  
Assistant Chief Deputy

July 21, 2009

Mr. Walter Kucharski  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

Dear Mr. Kucharski:

Thank you for providing me with the opportunity to respond to the audit report that found instances of improper assessment of fines and costs in criminal cases. Based upon a discussion with the field auditors and my internal staff, it appears that instances of improper fines and costs were primarily related to the court appointed counsel fees and the jail admission fees.

After reviewing the instances cited by the field auditors, I have concluded that 90% of the errors cited by the field auditors have been identified and immediately resolved. Therefore, I would expect an improvement in the assessment of criminal fines and costs for cases involving court appointed counsel.


For the remaining findings of the field auditors, I conducted a survey of my staff that assess the fines and costs in the courtroom. With respect to the assessment of court appointed counsel fees, my staff used local account codes when local attorneys of the Loudoun County Bar Association were appointed by the Court in these criminal cases and state account codes when the Office of the Public Defender (a state agency) was appointed as counsel in criminal cases. They reached this conclusion in this regard after attending training sessions offered by the Supreme Court in 2008. During those training sessions, there was discussion of various sections of the Financial Management manual and as a result of those discussions, my staff who assess the fines and costs in the courtrooms concluded that local codes were used for the appointment of local attorneys. With respect to the jail admission fee that was cited by the field auditors, my courtroom clerks interpreted the application of this fee is appropriate only when the defendant receives jail time during sentencing in a criminal case.

In light of your findings in your report, corrective action is warranted and we are proposing the following corrective action:

- 1) We will prepare the necessary amended cost sheets for those cases that require adjustments in the state and/or local account codes.
- 2) We will prepare and process the appropriate journal vouchers in our accounting system to correct the account information for the state and local fees related to court-appointed counsel.
- 3) We will conduct internal training programs regarding the proper use of local account codes and state account codes for court appointed counsel fees. We will seek clarification from the Financial Management Division of the Supreme Court regarding previous guidance provided in 2008.
- 4) We will conduct monthly internal audits of the assessment of criminal fines and costs and institute corrective action each month when fines and costs are improperly assessed.
- 5) We will consult the Auditor of Public Accounts and the Financial Management Division of the Supreme Court to request periodic reviews of our criminal fines and costs assessment practices prior to the next formal audit.
- 6) We will pursue technology solutions with the Financial Management System and the Case Imaging System provided by the Supreme Court that would automatically fill the account codes using interfaces from a code database. Using automation and technology will reduce the likelihood of human error when managing multiple criminal cases in the courtroom simultaneously.

I acknowledge the courtesy and professionalism of your staff who conducted the field audit of my office. I believe a cooperative approach with the Auditor of Public Accounts is essential to ensure the proper assessment and allocation of funds collected by my office. Therefore, I appreciate the suggestions made by your office. Please feel free to contact me if you have any questions. Thank you for the opportunity to respond to the audit findings.

Sincerely yours,



Gary M. Clemens  
Clerk of the Circuit Court

CC: Ms. Kathryn St. Lawrence  
Supervisor, Office of the Auditor of Public Accounts