

**SHARRON S. MITCHELL  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF FREDERICKSBURG**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2009 THROUGH MARCH 31, 2011**



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# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

August 17, 2011

The Honorable Sharron S. Mitchell  
Clerk of the Circuit Court  
City of Fredericksburg

City Council  
City of Fredericksburg

Audit Period: July 1, 2009 through March 31, 2011  
Court System: City of Fredericksburg

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.

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 or these matters) 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

WJK:alh

cc: The Honorable Gordon F. Willis, Chief Judge  
Beverly R. Cameron, 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

## 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.

### Report Unpaid Court Debt to the Department of Taxation's Tax Set-Off Program

During the past four years, the Clerk has not reported the following amount of delinquent fines and cost to the Department of Taxation for collection using the Tax Set-Off program.

<u>Fiscal Year</u>	<u>Amount</u>
2007	\$ 703,044
2008	905,564
2009	709,758
<u>2010</u>	<u>829,403</u>
Total	\$3,147,769

By not using Debt Set-Off Program, the Clerk has potentially lost revenue for both the Commonwealth and the local government from amounts she could have recovered, from these individuals' tax refunds or other sources. For the past four years, the Clerk has not used the Debt Set-Off Program because she does not want to provide the necessary information required by Taxation to obtain a user ID and password for accessing the system, and to prevent users from misusing the system.

The Department of Taxation converted this program from a manual process to an automated process, and neither the Clerk nor any of the court staff have taken the actions necessary to use the automated system. Section 58.1-521 of the Code of Virginia, requires that all Courts use Debt Set-Off Program to collect unpaid court debt. Both the Supreme Court of Virginia and the Department of Taxation have developed processes for accessing the new automated system, Integrated Revenue Management System.

The Clerk should take immediate corrective action that will allow her and her staff to participate in the Debt Set-Off Program and make every effort to assist in the collections of fees, fines and other costs for the local government and the Commonwealth.

Sharron S. Mitchell  
Clerk of Circuit Court



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P.O. Box 359  
Fredericksburg, VA 22404-0359  
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August 2, 2011

Walter J. Kucharski  
Auditor of Public Accounts  
P. O. Box 1295  
Richmond, VA 23218

Audit Period: July 1, 2009 through March 31, 2011  
Fredericksburg Circuit Court Clerk's Office

Dear Mr. Kucharski:

I have received and reviewed the audit report cited above. Please consider this my response to said audit.

As you know, I have been Clerk for nearly twenty-one (21) years, and in all that time, I can recall only one other time that I had an audit point (And that was, in my opinion, a misunderstanding that was immediately rectified.) that was related to some matter other than IRMS. That fact itself should demonstrate my dedication to carrying out the duties of the office in an efficient and lawful manner.

Prior to IRMS, this office consistently participated in the debt set-off program during the time that I have been Clerk. (It should be noted that the program never did raise that much revenue for this office.) From the start of IRMS, we attempted to enroll in the program but were told we would have to provide our individual social security numbers. I have had several conversations with representatives from the Department of Taxation and the Supreme Court of Virginia, and no one has been able to give me a reason those numbers are needed other than to say that they need the numbers for "security" purposes and the make sure that no one accesses any part of the system that they are not authorized to access. When asked why another unique number cannot be used, the only answer I received was that the "system" needed the social security number. When asked how the number would be used to ensure that unauthorized access did not take place, no answer was given.

It is the Department of Taxation's unreasonable policies that have kept me and other clerks from participating. Their attitude has been one of "Because we say so". They have told me that they already have my social security number and as

such it is not a "big deal" for me to supply it in order to carry out a mandated task. They miss the fact that they have my social security number as a TAXPAYER. My position as a taxpayer is separate from my position as a constitutional officer.

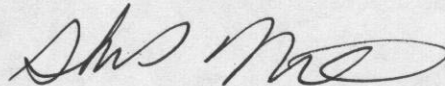
Be that as it may, after our last audit, I did sign up for and began the IRMS training. After a few lessons, I realized that I was wasting my time. To complete the training was going to take a considerable amount of time that could be used elsewhere in the office, and unless the Department of Taxation changed its policy regarding the requirement of social security numbers, I was not going to be allowed to participate in IRMS anyway.

I am retiring at the end of this year. As of January 1, 2012, the decision of whether or not to give up one's right to privacy (whether it is the clerk's or one of the deputies) will be someone else's. My bookkeeper, who is also one of my criminal clerks, has agreed to take the training as time permits so that the office will be prepared for the next clerk's decision.

I thank you for an opportunity to respond. I am hoping that in the future, the Department of Taxation will be willing to see another point of view and allow the Supreme Court of Virginia to issue unique numbers when they issue computer sign-ons and/or cashier codes, and perhaps take over the training so that it can be focused on the skills needed for IRMS without having to wade through unneeded material.

It has been a pleasure to work with your staff during the audits. They have been not only professional and conscientious, but also helpful and understanding.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sharron S. Mitchell", with a stylized, flowing script.

Sharron S. Mitchell  
Clerk