



CYNTHIA P. MORRISON  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF PORTSMOUTH  
  
FOR THE 15 MONTHS ENDED  
DECEMBER 31, 2013

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
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## 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.*

### Collect Additional Probate Tax

The Clerk did not bill for additional probate taxes due upon the filing of an estate's final inventory. Code of Virginia Section 58.1-1717 requires the Clerk to compare the initial probate tax return and the subsequent inventory to determine whether the estate has been undervalued for tax purposes and to collect any additional taxes due. In seven of nine estates where additional taxes were required, staff failed to bill the estate for collection, resulting in losses of \$1,019 to the Commonwealth and \$340 to the locality. The Clerk should immediately bill the estates and ensure all probate staff are aware of proper procedures.

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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

May 6, 2014

The Honorable Cynthia P. Morrison  
Clerk of the Circuit Court  
City of Portsmouth

Kenneth Wright, Mayor  
City of Portsmouth

Audit Period: October 1, 2012 through December 31, 2013  
Court System: City of Portsmouth

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 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:alh

cc: The Honorable Kenneth R. Melvin, Chief Judge  
John L. Rowe, Jr., 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

# Commonwealth of Virginia

CYNTHIA P. MORRISON, Clerk



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May 6, 2014

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

RE: Portsmouth Circuit Court  
Audit Period – October 1, 2012 through December 31, 2013

Dear Ms. Mavredes:

As noted in the audit report, the lack of an internal control in the Probate Division for the processing of final inventories for estates resulted in a failure to collect additional taxes. All inventories for the audit period are being reviewed and letters are being sent to request the additional probate taxes. The staff has collected additional revenues from the personal representatives as a result of the letters.

A corrective action plan has been implemented. When inventories are submitted to the office, the probate clerk stamps them received. The Probate Supervisor and Deputy Clerk will review each inventory together to determine which require additional probate taxes. If taxes are due, a letter will be sent to the personal representative requesting the additional taxes. All staff involved with probate has reviewed the Probate and Estate Administration Manual, Chapter 6, Administration of the Estate.

These actions will prevent this error from occurring in the future and allow for collection of additional taxes prescribed by the Code of Virginia §58.1-1717.

Sincerely yours,

Cynthia P. Morrison  
Clerk of Circuit Court