

**CITY OF ALEXANDRIA
REPORT ON COLLECTIONS
OF COMMONWEALTH REVENUES
BY LOCAL CONSTITUTIONAL OFFICERS**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2012**



–TABLE OF CONTENTS–

	<u>Pages</u>
AUDIT LETTER	1-2
SHERIFF'S RESPONSE	3-4



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 15, 2012

William D. Euille
Mayor
301 King Street Room 2300
Alexandria, VA 22314

City of Alexandria

Dear Mr. Euille:

We have reviewed the Commonwealth collections and remittances of the Director of Finance and Sheriff of the locality indicated for the year ended June 30, 2012. Our primary objectives were to determine that the officials have maintained accountability over Commonwealth collections, established internal controls, and complied with state laws and regulations.

The results of our tests found the Director of Finance and Sheriff complied, in all material respects, with state laws, regulations and other procedures relating to the receipt, disbursement, and custody of state funds, except as follows.

The Sheriff did not maintain sufficient internal control over state funds as described below.

Strengthen Internal Controls

The Sheriff does not have adequate internal controls over the civil process service. Specifically, we noted the following weaknesses.

- The Sheriff has delays of up to 22 days before depositing civil process fees with the local Director of Finance.
- The Sheriff does not have a process to determine that he has collected all of the revenue for all of the civil process papers received. The Sheriff provides copies of service documents with date stamps and initials of who received the payments, but this does not provide an audit trail that there is a deposit of all revenues for civil process servicing fees.
- The Judicial Information System cannot produce summary reports of the fees collected. Instead, the Sheriff's staff keys the collection information into separate spreadsheets.

The Sheriff should follow the accounting best practices for fees as outlined in the Virginia Sheriff's Accounting Manual, which recommends the Sheriff deposit all collections with the Director of Finance daily, or when receipts total less than \$200 in a day, the Sheriff should accumulate daily receipts until they total \$200, but always deposit no less frequently than weekly. Additionally, the Sheriff should issue pre-numbered receipts for civil processes as recommended in the Virginia Sheriffs' Accounting Manual, Chapter 12 Court

Support Services. Also, to improve accountability and efficiency over civil process fees, we recommend the Sheriff work with the City's Information Technology Services to ensure the Judicial Information System can produce monthly collection reports.

We discussed this comment with the Sheriff on November 15, 2012 and we acknowledge the cooperation extended to us during this review.

Sincerely,

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: Rashad Young, City Manager
Laura Triggs, Director of Finance
Dana Lawhorne, Sheriff



City of Alexandria, Virginia
Sheriff's Office



Administrative Office
Detention Center
2003 Mill Road
Alexandria, VA 22314
703-746-4114

Dana Lawhorne
Sheriff

Courthouse
Judicial - Legal Process
520 King Street, Suite 308
Alexandria, VA 22314
703-746-4120

November 15, 2012

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

Dear Mr. Kucharski:

During the recent audit of the civil process service for the period ending June 30, 2012, concerns were noted in the area of internal controls. The following outlines the issues and corrective actions that have been instituted.

1. The Sheriff has delays of up to 22 days before depositing civil process fees with the local Director of Finance.

Corrective action: A policy has been put in place to deposit funds on Friday of each week.

2. The Sheriff does not have a process to determine that he has collected all of the revenue for all of the civil process papers received. The Sheriff provides copies of service documents with date stamps and initials of who received the payments, but this does not provide an audit trail that there is a deposit of all revenues for civil process servicing fees.

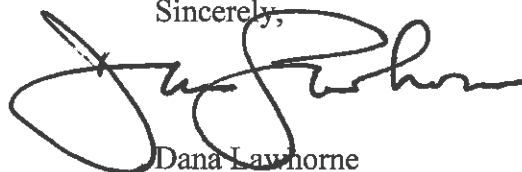
Corrective action: Pre-numbered manual receipts are now issued when civil process funds are received. Once modifications have been made to the Alexandria Justice Information System (AJIS), there will no longer be a need for pre-numbered manual receipts.

3. The Judicial Information System cannot produce summary reports of the fees collected. Instead, the Sheriff's staff keys the collection information into separate spreadsheets.

Corrective action: Modifications to our AJIS system are currently being implemented by our AJIS Administrator to provide receipts and generate reports for civil process fees collected. The projected timeframe for having this new process in place is mid-December 2012.

Please let me know if you need additional information. I appreciate the assistance and guidance we received from your office during the audit process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dana Layhorne', written over the word 'Sincerely,'.

Dana Layhorne
Sheriff