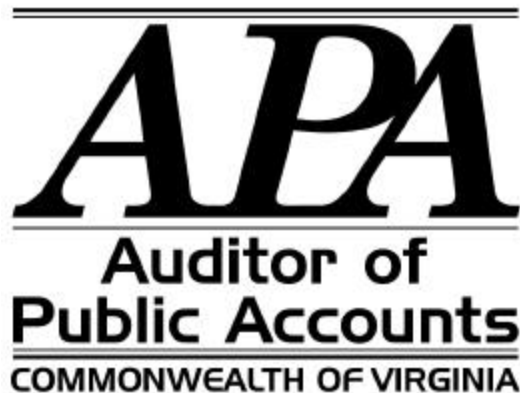


**OFFICE OF THE EXECUTIVE SECRETARY
OF THE SUPREME COURT OF VIRGINIA
CLERK OF THE SUPREME COURT
CLERK OF THE COURT OF APPEALS
THE VIRGINIA CRIMINAL SENTENCING COMMISSION
AND THE JUDICIAL INQUIRY AND REVIEW COMMISSION**

RICHMOND, VIRGINIA

**REPORT ON AUDIT
FOR THE PERIOD JULY 1, 1999
THROUGH JUNE 30, 2001**



AUDIT SUMMARY

This report includes the Office of the Executive Secretary of the Supreme Court of Virginia, Clerk of the Supreme Court, Clerk of the Court of Appeals, Virginia Criminal Sentencing Commission, and Judicial Inquiry and Review Commission.

Our audit of these agencies for the period July 1, 1999 through June 30, 2001, found:

- proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System;
- no material weaknesses in the internal controls tested;
- no instances of non-compliance that are required to be reported; and
- adequate corrective action with respect to the audit finding reported in the prior year.

January 16, 2002

The Honorable Mark R. Warner
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable Vincent F. Callahan, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the financial records and operations of the **Office of the Executive Secretary of the Supreme Court of Virginia, Clerk of the Supreme Court, Clerk of the Court of Appeals, the Virginia Criminal Sentencing Commission, and the Judicial Inquiry and Review Commission** for the period July 1, 1999 through June 30, 2001. We conducted our audit in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

Audit Objective, Scope, and Methodology

Our audit's primary objectives were to evaluate the accuracy of recording financial transactions on the Commonwealth Accounting and Reporting System, review the adequacy of the agencies' internal control, and test compliance with applicable laws and regulations.

Our audit procedures included inquiries of appropriate personnel, inspection of documents and records, and observation of the agencies' operations. We also tested transactions and performed such other auditing procedures, as we considered necessary to achieve our objectives. We reviewed the overall internal accounting controls, including controls for administering compliance with applicable laws and regulations. Our review encompassed controls over the following significant cycles, classes of transactions, and account balances:

- Revenues
- Expenditures
- Payroll
- Accounts Receivable
- Fixed Assets

We obtained an understanding of the relevant internal control components sufficient to plan the audit. We considered materiality and control risk in determining the nature and extent of our audit procedures. We performed audit tests to determine whether the agencies' controls were adequate, had been placed in

operation, and were being followed. Our audit also included tests of compliance with provisions of applicable laws and regulations.

Management has responsibility for establishing and maintaining internal control 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.

Our audit was more limited than would be necessary to provide assurance on internal control or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal control, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal control to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

Audit Conclusions

We found that the agencies properly stated, in all material respects, the amounts recorded and reported in the Commonwealth Accounting and Reporting System. The agencies record their financial transactions on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The financial information presented in this report came directly from the Commonwealth Accounting and Reporting System.

We noted no matters involving internal control and its operation that we consider to be material weaknesses. Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material to financial operations may occur and not be detected promptly by employees in the normal course of performing their duties.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The Office of the Executive Secretary of the Supreme Court of Virginia has taken adequate corrective action with respect to the audit finding reported in the prior year.

This report is intended for the information and use of the Governor and General Assembly, management, and the citizens of the Commonwealth of Virginia and is a public record.

EXIT CONFERENCE

We discussed this report with management at an exit conference held on January 16, 2002.

AUDITOR OF PUBLIC ACCOUNTS

JMS:whb
whb:25

AGENCY BACKGROUND AND FINANCIAL INFORMATION

The Office of the Executive Secretary of the Supreme Court administers the judicial system of 327 courts including the Supreme Court and Court of Appeals, with approximately 2,400 employees. The Office maintains the Court Automated Information System, which is used by the courts to accumulate financial and case information. The Office also provides administrative services, including payment and payroll processing, for the courts and magistrates, the Judicial Inquiry and Review Commission, and the Virginia Criminal Sentencing Commission. A brief summary of the agencies' missions follows.

Clerk of the Supreme Court

The Clerk of the Supreme Court is where individuals file appealed criminal and civil cases and apply for permission to practice law in Virginia courts. The Supreme Court appoints the Clerk, who serves at its pleasure. The Clerk's Office receives, processes, and maintains permanent records of appeals and other official documents filed with the Court. The Clerk also maintains records of qualified attorneys.

Court of Appeals of Virginia

The Court of Appeals of Virginia is an intermediate appellate court for criminal and civil cases. The Clerk of the Court of Appeals, appointed by the Court, serves at its pleasure. The Clerk processes and maintains permanent records of appeals and other official documents filed with the Court.

Virginia Criminal Sentencing Commission

The Commission assists the judiciary by implementing a system of discretionary sentencing guidelines for imposition in felony sentences. The Commission develops and implements sentencing guidelines, performs sentencing research, and prepares an annual report outlining the prior year's sentencing history. The Commission also trains judges, commonwealth attorneys, probation officers, public defenders, and defense lawyers on sentencing guidelines.

Judicial Inquiry and Review Commission

The Judicial Inquiry and Review Commission investigates complaints of judicial misconduct or serious mental or physical disability. The Commission employs staff that assist in the investigation of complaints of misconduct against all state court judges, members of the State Corporation Commission, and members of the Virginia Workers' Compensation Commission.

Agency Expenditures

The following table summarizes the expenses for the Office of the Executive Secretary and the related agencies as listed above. This information comes from the Commonwealth Accounting and Reporting System.

<u>Agency</u>	<u>FY 2000</u>	<u>FY 2001</u>
Office of the Executive Secretary:		
Magistrate System	\$ 17,030,976	\$ 18,243,488
Circuit Courts	55,577,316	62,115,085
General District Courts	60,803,373	66,402,145
J and DR District Courts	48,908,368	56,092,129
Combined District Courts	19,842,836	21,916,869
Clerk of the Supreme Court	15,360,374	16,968,975
Court of Appeals	5,079,939	6,186,224
Judicial Inquiry and Review	405,214	487,932
Criminal Sentencing Commission	918,172	885,694

OFFICIALS

OFFICE OF THE EXECUTIVE SECRETARY OF THE SUPREME COURT OF VIRGINIA

Honorable Harry L. Carrico, Chief Justice

Robert N. Baldwin, Executive Secretary

CLERK OF THE SUPREME COURT

David B. Beach, Clerk

CLERK OF THE COURT OF APPEALS

Honorable Johanna L. Fitzpatrick, Chief Judge

Cindy McCoy, Clerk

VIRGINIA CRIMINAL SENTENCING COMMISSION

Richard P. Kern, Executive Director

JUDICIAL INQUIRY AND REVIEW COMMISSION

Donald H. Kent, Judge

