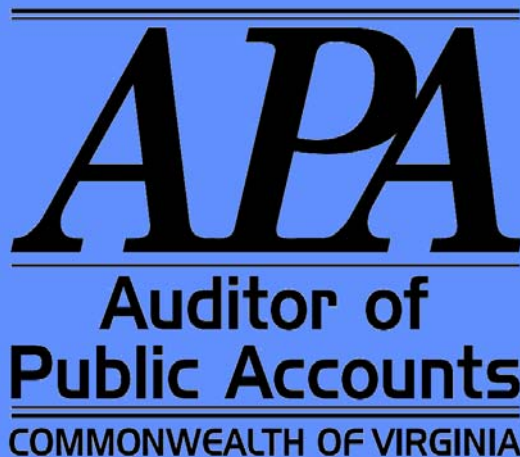


**CLERK OF THE CIRCUIT COURT**  
**of the**  
**CITY OF FREDERICKSBURG**  
**The Honorable Sharron S. Mitchell**

**REPORT ON AUDIT**  
**FOR THE PERIOD**  
**APRIL 1, 2007 THROUGH MARCH 31, 2008**





# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

August 29, 2008

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

City Council  
City of Fredericksburg

Audit Period: April 1, 2007 through March 31, 2008  
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.

## 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

However, 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:kmk

cc: The Honorable J. Martin Bass, Chief Judge  
Phillip Rodenberg, 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

### Compliance

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

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

For the past two years, the Clerk has not reported unpaid Court debt to the Virginia Department of Taxation under the Debt Set-Off Program. Beginning in 2006, 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 fines and costs. 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 Department of Taxation Debt Set-Off Program and make every effort to assist in the collections of fees, fines and other costs on behalf of the local government and the Commonwealth of Virginia. Lack of participation greatly undermined the Court's ability to collect unpaid fees, fines and other costs; and resulted in a loss of revenues to both the local government and the Commonwealth of Virginia.

