



EDWARD SEMONIAN, JR.  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF ALEXANDRIA

FOR THE PERIOD  
OCTOBER 1, 2016 THROUGH SEPTEMBER 31, 2017

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350



## COMMENTS TO MANAGEMENT

*We noted the following matters 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.*

### **Review Financial System Reports**

Repeat: No

There is no formal review of financial management system generated reports. These reports summarize general ledger account balances and activity, account modifications and updates, account exceptions and errors, and liability accounts. Not monitoring and reviewing these reports as required by the court's financial system user's guide has allowed incorrect general ledger account balances to remain undetected and uncorrected, individual account exceptions and errors to remain unresolved, and liabilities to be held inappropriately.

The Clerk should review financial reports on a daily basis to ensure errors are noted and corrected.

### **Reconcile Bank Account**

Repeat: No

The Clerk has not reconciled his bank account since March 2017. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase the risk of loss of funds. Timely and complete reconciliations are an essential internal control. The Clerk should perform monthly bank reconciliations upon receiving the bank statements as required by the court's financial system user's guide, and seek guidance from the Office of the Executive Secretary as needed.

### **Monitor and Disburse Liabilities**

Repeat: No

The Clerk does not properly monitor and disburse liabilities, specifically those related to expungements. In eight accounts, the Clerk did not follow the court order to either refund the monies to the plaintiff or remit the monies to the state treasury. The Clerk should monitor these accounts on an ongoing basis and follow the court order when the case is finalized.

### **Properly Bill and Collect Court Fines and Costs**

Repeat: Yes, Properly Calculate and Assess Attorney Costs

The Clerk and his staff did not properly bill and collect court fines and costs. In eleven cases, fines and costs were incorrectly entered into the court's financial system, resulting in losses of \$1,975 to the Commonwealth, defendants being overcharged \$6,045, and restitution of \$2,974 not being assessed.

The Clerk and his staff should correct the specific cases noted above and should establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with the Code of Virginia.

**Properly Complete and Maintain List of Allowances**

Repeat: No

The Clerk did not maintain proper supporting documentation for attorney payments. Court appointed attorneys are required to complete a list of allowances invoice, which is then required to be approved for payment by the Clerk and the Presiding Judge. In all ten attorney invoices tested, the Clerk did not retain the proper documentation showing the Clerk's and Presiding Judge's approval.

The Clerk should ensure that all invoices are approved and retained.

## -TABLE OF CONTENTS-

### Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

1-2

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

3-4



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

## *Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

December 19, 2017

The Honorable Edward Semonian, Jr.  
Clerk of the Circuit Court  
City of Alexandria

Allison Silberberg, Mayor  
City of Alexandria

Audit Period: October 1, 2016 through September 31, 2017  
Court System: City of Alexandria

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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 matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters 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 Clerk and his staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:clj

cc: The Honorable Lisa Bondareff Kemler, Chief Judge  
Mark B. Jinks, 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



Circuit Court  
OF THE  
**City of Alexandria, Virginia**

520 King Street Suite 307  
Alexandria, Va. 22314  
(703) 746-4044



February 7, 2018

Martha Mavredes  
Auditor of Public Accounts | Commonwealth of Virginia  
101 North 14th Street, 8th Floor | Richmond, VA 23219

Ms. Mavredes,

Our response to the most recent audit covering the audit period October 1, 2016 to September 31, 2017 is as follows;

Review Financial System Reports-

The General Ledger Report, daily and monthly financial reports ARE reviewed by John Knippenberg or Benjamin Ortiz for accuracy and to ensure that errors are corrected on a daily basis. This is part of our routine "Daily Download of Financial Reports" procedure.

Reconcile Bank Account-

We did have difficulty reconciling our bank account but Supreme Court of Virginia looked at our bank statements and determined that for the remainder of the audit period (April to October 2017) we were off \$278.25 which we were told to journal into our Overage/Shortage account, resolving this issue. For future issues, we will seek the assistance of the Supreme Court of Virginia when the need arises.

Monitor and Disburse Liabilities-

Expungement monies held are being journaled into the proper account codes when an expungement is not granted, monies held where an expungement is granted are being refunded to the plaintiff. These accounts are now being monitored by management and staff.

Properly Bill and Collect Court Fines and Costs-

Staff assessing these fines and costs now have a better understanding of what is to be collected accurately. The noted cases have been corrected by staff members who have established a system of review to minimize the likeliness of billing errors and to ensure the collection of court costs is in accordance with the Code of Virginia.

Properly Complete and Maintain List of Allowances-

The Clerk's Office staff will retain the proper documentation with the Clerk's and Judge's signatures for court appointed attorney payments.

In conclusion, if there are any questions about our method for addressing these issues please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Semonian".

Edward Semonian, Clerk