FS22-02

J. GREG PARKS

CLERK OF THE CIRCUIT COURT

FOR THE

CITY OF ALEXANDRIA

FOR THE PERIOD

JULY 1, 2019 THROUGH DECEMBER 31, 2020

Auditor of Public Accounts
Staci A. Henshaw, CPA
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: Yes (First issued to former Clerk in 2017. New finding for current Clerk.)

The Clerk does not perform a formal review of reports generated by the court's financial management system. These reports summarize general ledger account balances and activity, account modifications and updates, account exceptions and errors, and liability accounts. Not reviewing these reports has allowed incorrect general ledger account balances to remain uncorrected and individual account exceptions and errors to remain unresolved. It has also allowed liabilities in the amount of $27,364 and $14,639 in unclaimed property and restitution to be held inappropriately.

The Clerk should routinely review all financial system reports to ensure propriety of general ledger account balances and account modifications and updates, the resolution of account exceptions and errors, and the proper disposition of liabilities and unclaimed property.

Properly Bill and Collect Court Fines and Costs

Repeat: Yes (First issued to former Clerk in 2015. New finding for current Clerk.)

The Clerk did not properly bill and collect court fines and costs. In 22 of 75 cases (29%), we noted the following errors.

- In one case, attorney fees of $21,123 were not assessed.
- Defendants in 25 cases were not charged $10,786 in fines and costs. In another case, the defendant was not charged $200 in restitution.
- Defendants in five cases were overcharged a total of $2,975 in fines and costs.
- In 16 cases, the court increased the courthouse security fee without a local ordinance, resulting in defendants being overcharged $490.

The Clerk should correct the specific accounts 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 Code of Virginia.

-TABLE OF CONTENTS-

	Pages
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	3-5

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 28, 2021

The Honorable J. Greg Parks
Clerk of the Circuit Court
City of Alexandria

Justin Wilson, Mayor
City of Alexandria

Audit Period: July 1, 2019, through December 31, 2020
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.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior year that are not repeated in this letter.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the Clerk and his staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

SAH:vks

cc: The Honorable Lisa Kemler, Chief Judge
Mark Jinks, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

CLERK OF CIRCUIT COURT
CITY OF ALEXANDRIA
EIGHTEENTH JUDICIAL DISTRICT OF VIRGINIA
520 KING STREET, ALEXANDRIA, VA 22314
WWW.ALEXANDRIAVA.GOV/CLERKOFCOURT

J. Greg Parks
Clerk of Court

John Knippenberg
Chief Deputy
Benjamin Ortiz
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Shavon Thomas
Chief, Court Support Div.
Jeffrey Harmon
Chief, Land Records Div.
Marilyn Delgado
Chief, Public Service Div.

September 14, 2021

Staci A. Henshaw, CPA
Auditor of Public Accounts
Commonwealth of Virginia
P.O. Box 1295
Richmond, VA 23218

RE: Audit for July 1, 2019, through Dec. 31, 2020

Dear Ms. Henshaw,

Thank you for the report of audit findings from your staff's review of my office. Your auditor was highly professional and carried out her duties in my office with the utmost precision and care.

Please see the attached two pages for our responses and corrective actions that have been taken to date and will be taken in the future to address the findings. As a newly elected Clerk, audit findings are particularly helpful. I take all results with the greatest seriousness, and I am committed to correcting all errors, and ensuring they do not repeat in the future.

Sincerely,

J. Greg Parks
Clerk

Audit Finding #1 – Review Financial System Reports

Repeat: Yes (First issued to former Clerk in 2017. New finding for current Clerk.)

The Clerk does not perform a formal review of reports generated by the court's financial management system. These reports summarize general ledger account balances and activity, account modifications and updates, account exceptions and errors, and liability accounts. Not reviewing these reports has allowed incorrect general ledger account balances to remain uncorrected and individual account exceptions and errors to remain unresolved. It has also allowed liabilities in the amount of $27,364 and $14,639 in unclaimed property and restitution to be held inappropriately.

The Clerk should routinely review all financial system reports to ensure propriety of general ledger account balances and account modifications and updates, the resolution of account exceptions and errors, and the proper disposition of liabilities and unclaimed property.

Response and Corrective Action Plan:

Partially agree. The Alexandria Clerks Office formally reviews various reports generated by the financial management system. In the unclaimed property area, the office practice has previously been to review the BR16 Unclaimed Property Report each time it was issued. This report does not include certain restitution payments and liabilities, leading to the amounts found by the audit not being detected by the monthly review. To correct this issue, staff has received guidance and training on the review of additional financial system reports including the BR46 Escheated Funds Report, the BU06 Individual Account Status Report, and the BR08 Liabilities Report. These reports will be reviewed as frequently as they are issued (monthly or annually) and immediate actions will be taken to ensure that all funds are properly disbursed, or escheated.

Audit Finding #2 – Properly Bill and Collect Court Fines and Costs

Repeat: Yes (First issued to former Clerk in 2015. New finding for current Clerk.)

The Clerk did not properly bill and collect court fines and costs. In 22 of 75 cases (29%), we noted the following errors.

- In one case, attorney fees of $21,123 were not assessed.
- Defendants in 25 cases were not charged $10,786 in fines and costs. In another case, the defendant was not charged $200 in restitution.
- Defendants in five cases were overcharged a total of $2,975 in fines and costs.
- In sixteen cases, the court increased the courthouse security fee without a local ordinance, resulting in defendants being overcharged $490.

The Clerk should correct the specific accounts 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 Code of Virginia.

Response and Corrective Action Plan

Partially agree. In the period covered by the audit, the Alexandria Clerk's office division which handles these matters processed over 3,500 individual items, most of which involved the assessment of fees. The errors found by the auditor have been corrected. To prevent future incorrect assessment of court costs and fines, all staff have been trained and instructed to confirm any amounts generated by the State financial system against the Circuit Court Fee Schedule issued by Supreme Court's Office of the Executive Secretary. This will ensure the correct costs and fines are assessed to the proper parties. Staff are also being trained to specifically look for the types of items that resulted in errors in the audit, payment vouchers, psychiatric evaluations, and restitution plans that have not been assessed to defendants as part of their court costs prior to the case being concluded.

The under-assessment of $21,123 in attorney's fees occurred when the attorney in the case failed to submit the payment voucher in a timely manner, submitting it after the case had concluded. This required staff to revisit a closed case to properly assess the fees, which did not occur. The over-assessment of $2,975 occurred when case materials from General District Court did not include the attorney's fees to be assessed to the five defendants in the case, and staff failed to note this fact and assessed the fees. The error has been corrected by removing the total from the five defendant's accounts.

The overcharge of the courthouse security fee occurred after the fee was highlighted in the Virginia Supreme Court's educational webinars which cover changes to the law made by the General Assembly. The webinars are mandated for all Clerk's office staff. The webinars noted the fee had increased from $10 to $20, and staff assessed the fee accordingly, unaware that the fee increase required the passage of a local ordinance by the Alexandria City Council to be valid. The amount of the over-assessment was removed from the accounts of the 16 cases in which it was assessed. To prevent this from occurring in the future, the staff have received training, and the Clerk has coordinated with the City's legislative staff and the City Attorney's office to ensure all interested parties are aware of changes to the law and can act accordingly.