



J. GREG PARKS
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF ALEXANDRIA

FOR THE PERIOD
JANUARY 1, 2021 THROUGH MARCH 31, 2022

Auditor of Public Accounts

Staci A. Henshaw, CPA

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(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that has led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Monitor and Disburse Liabilities

Repeat: Yes (First issued to former Clerk in 2017 and first issued to current Clerk in 2021 as Review Financial System Reports)

The Clerk does not monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$54,300 in liabilities that he should have either paid out or escheated. The Clerk should review all liabilities he is currently holding and disburse as applicable. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 9, 2022

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

Justin Wilson, Mayor
City of Alexandria

Audit Period: January 1, 2021, through March 31, 2022
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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter 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 finding reported in the prior year that is not repeated in this report.

We discussed this comment 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

LJH:vks

cc: The Honorable Lisa Bondareff Kemler, Chief Judge
James F. Parajon, 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 CIRCUIT OF VIRGINIA
520 KING STREET, ALEXANDRIA, VA 22314
WWW.ALEXANDRIAVA.GOV/CLERKOF COURT



J. Greg Parks

Clerk of Court

John Knippenberg

Chief Deputy

Benjamin Ortiz

Chief of Staff

Shavon Thomas
Chief, Court Support Div.

Jeffrey Harmon
Chief, Land Records Div.

Marilyn Delgado
Chief, Public Service Div.

November 22, 2022

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

RE: Audit for January 1, 2021, through March 31, 2022

Dear Ms. Henshaw,

Thank you for the report of audit findings from your staff's review of my office. We appreciate your auditor's precision, professionalism and the care with which she carried out her duties.

Please see the attached page for our response and corrective actions. I am committed to expeditiously correcting all errors and ensuring they do not repeat in the future.

Sincerely,

J. Greg Parks
Clerk

Audit Finding – Monitor and Disburse Liabilities

Repeat: Yes (First issued to former Clerk in 2017 and first issued to current Clerk in 2021 as Review Financial System Reports)

The Clerk does not monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$54,300 in liabilities that he should have either paid out or escheated. The Clerk should review all liabilities he is currently holding and disburse as applicable. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide.

Response and Corrective Action Plan:

Partially agree. The Alexandria Clerks Office does monitor and disburse court liabilities every month. The amount cited of \$54,300 was for only two instances, one for \$30,457.73 and one for \$23,792.68. In both cases, the money was proceeds from the foreclosure sale of real property where the property owner had died, and no heirs could be located. Our primary effort is always to return monies to their proper owner before escheating them to the Commonwealth of Virginia. In the second case, the order from the court did not authorize disbursement of the funds so they were held and the search for an heir continued. Upon receiving guidance from the auditor that these funds should be escheated, we did so immediately. Both amounts have now been properly disbursed through escheatment to the Commonwealth of Virginia. No public monies were at any time unaccounted for, or in any way compromised.

To place this finding in context, the BR08 report listing these liabilities is over 80 pages long each month, lists thousands of cases, and totals millions of dollars. It is reviewed by Clerk's Office staff and disbursements are made each month. Pursuant to previous guidance from the auditor, the staff currently review the BR16 Unclaimed Property Report, the BR46 Escheated Funds Report, the BU06 Individual Account Status Report, and the BR08 Liabilities Report as frequently as they are issued (monthly or annually) and immediate actions are taken to disburse or escheat all appropriate funds.

Moving forward, and to prevent the reoccurrence of even rare instances of holding liabilities too long, we are implementing a new schedule under which we will escheat monies every three months, rather than once per year. This new procedure will substantially reduce the number of items in each escheatment, making it more efficient and manageable for staff and will reduce the chance of errors.