



# VIRGINIA DISTRICT COURT SYSTEM

## REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2017

Auditor of Public Accounts  
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## AUDIT SUMMARY

This statewide report summarizes the findings from our audit of the District Court System for the fiscal year ended June 30, 2017. Our audits resulted in findings in 55 courts, some of which had multiple findings. The most common finding was related to the proper billing and collection of court fines, costs and fees. Other findings were related to control weaknesses noted in accounting areas, such as the lack of bank reconciliations, improper record retention, and inadequate reviews of internal reports.

The financial impact of these findings are state revenue losses of approximately \$43,000, locality revenue losses of approximately \$7,400, defendants being overcharged approximately \$15,000, and potential Tax Set Off Losses of nearly \$30,000.

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Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

August 28, 2018

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Thomas K. Norment, Jr.  
Chairman, Joint Legislative Audit  
and Review Commission

The Honorable Donald W. Lemons  
Chief Justice, Supreme Court of Virginia

Karl R. Hade  
Executive Secretary, Office of the Executive Secretary  
Supreme Court of Virginia

We are pleased to submit the statewide **Report on the District Court System** for the Fiscal Year ended June 30, 2017. The Auditor of Public Accounts annually audits each General District Court (GDC), Juvenile and Domestic Relations District Court (JDR), and Combined District Court (CDC) to determine whether they have maintained accountability over Commonwealth, locality, and restitution collections; established internal controls; and complied with state laws and regulations. This statewide report summarizes the findings we have previously communicated to the individual Chief Judges, Presiding Judges, Clerks, and the Director of Judicial Services at the Office of the Executive Secretary of the Supreme Court of Virginia upon completing our individual audits. Our reports can be accessed online at [http://www.apa.virginia.gov/APA\\_Reports/Reports.aspx](http://www.apa.virginia.gov/APA_Reports/Reports.aspx).

AUDITOR OF PUBLIC ACCOUNTS

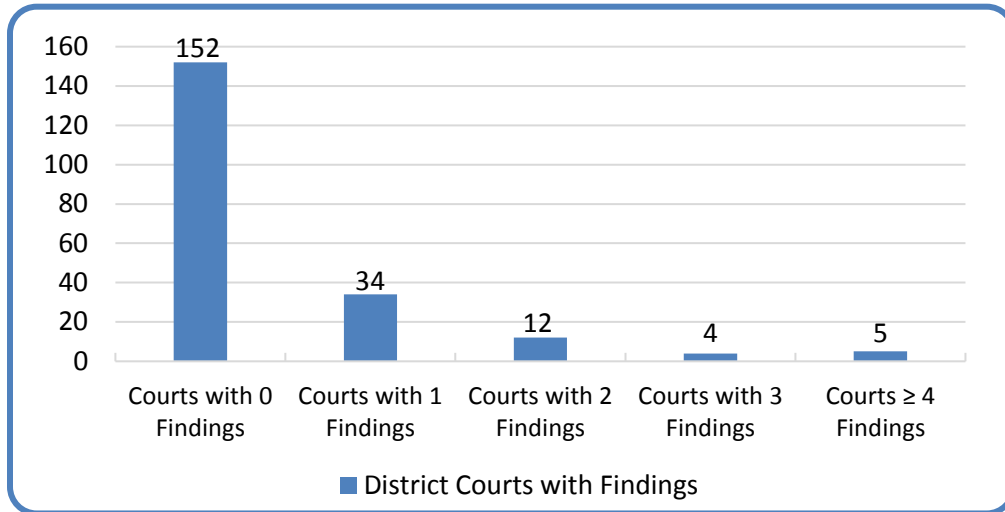
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## INTERNAL CONTROL AND COMPLIANCE FINDINGS

For the year ended June 30, 2017, we completed 207 District Court audits, 157 of which were comprehensive audits and 50 of which were limited control reviews. A comprehensive audit entails audit procedures designed to review in detail areas such as revenues, expenditures, system access security, accounts receivable, and liability management. A limited control review involves the completion of an internal control questionnaire and some limited audit procedures based on the results of the questionnaire. Limited control reviews are only performed on courts that have been considered low risk based on the results of previous audits and an overall assessment of the individual court environment. An [Appendix](#) is included following this section that contains a summary of the District Court audit results by locality and court type. As shown in Chart 1 below, the District Court audits identified findings in 55 courts, some with multiple findings including eight in Chesapeake JDR, six in Wise/Norton GDC, five in Rockbridge GDC, four in Prince George CDC, and four in Rockbridge JDR.

**District Court Audit Results**

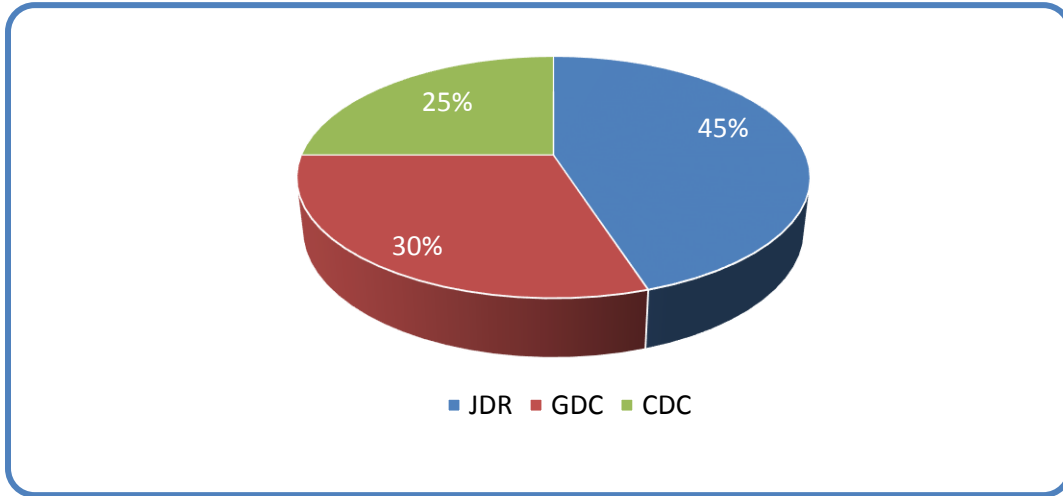
Chart 1



Our analysis of the cumulative results of the audits identified several recurring trends across the Commonwealth. Of the 97 management recommendations made, 45 percent addressed the proper billing and collecting of court fines, costs, and restitution. The financial impact of these weaknesses are state revenue losses of approximately \$43,000, locality revenue losses of approximately \$7,400, and defendants being overcharged approximately \$15,000. Chart 2 below shows the distribution of the potential loss of state revenue by court type.

### Potential Loss of State Revenue by Court Type

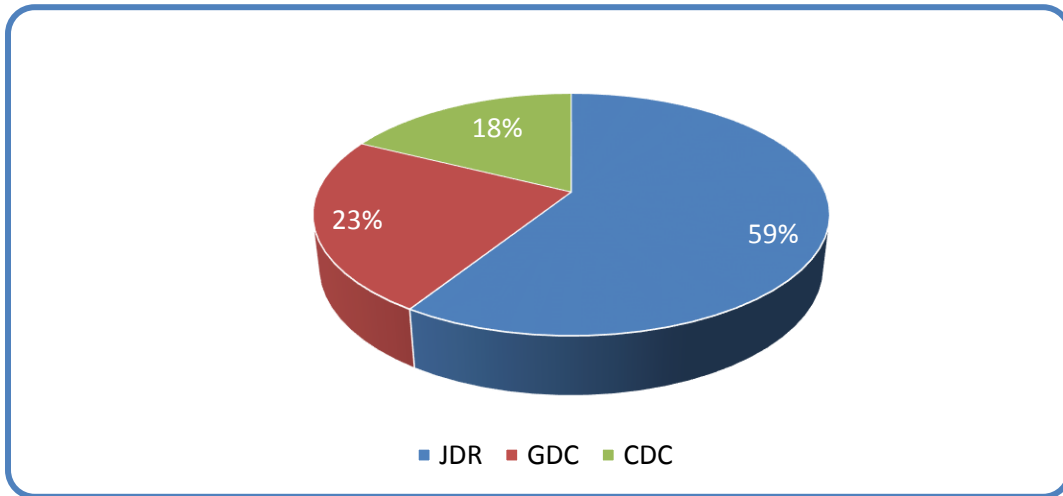
Chart 2



An additional 11 findings (12%) identified possible Tax Set-Off losses of almost \$30,000. Chart 3 below shows the distribution of potential tax set-off losses by court type.

### Potential Tax Set-Off Losses by Courts Type

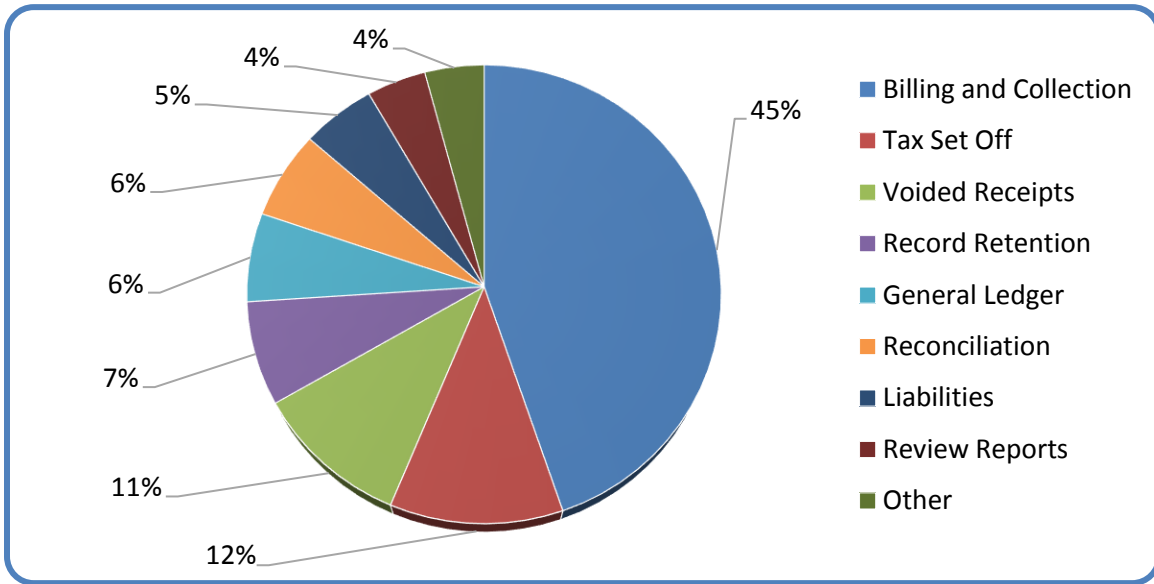
Chart 3



In addition to issues with billing and collection and Tax Set-Off, as shown in Chart 4 below, internal control weaknesses noted in other accounting areas include the lack of bank reconciliations, improper record retention, and inadequate reviews of internal reports. As a result of these weaknesses, we made the following recommendations to the individual courts: Properly Maintain Voided Receipts; Properly Maintain Case Papers, Records and Other Supporting Documentation; Reconcile Bank Account; Properly Review General Ledger and Other System Generated Reports; and Properly Monitor and Disburse Liabilities.

### Areas of Concern

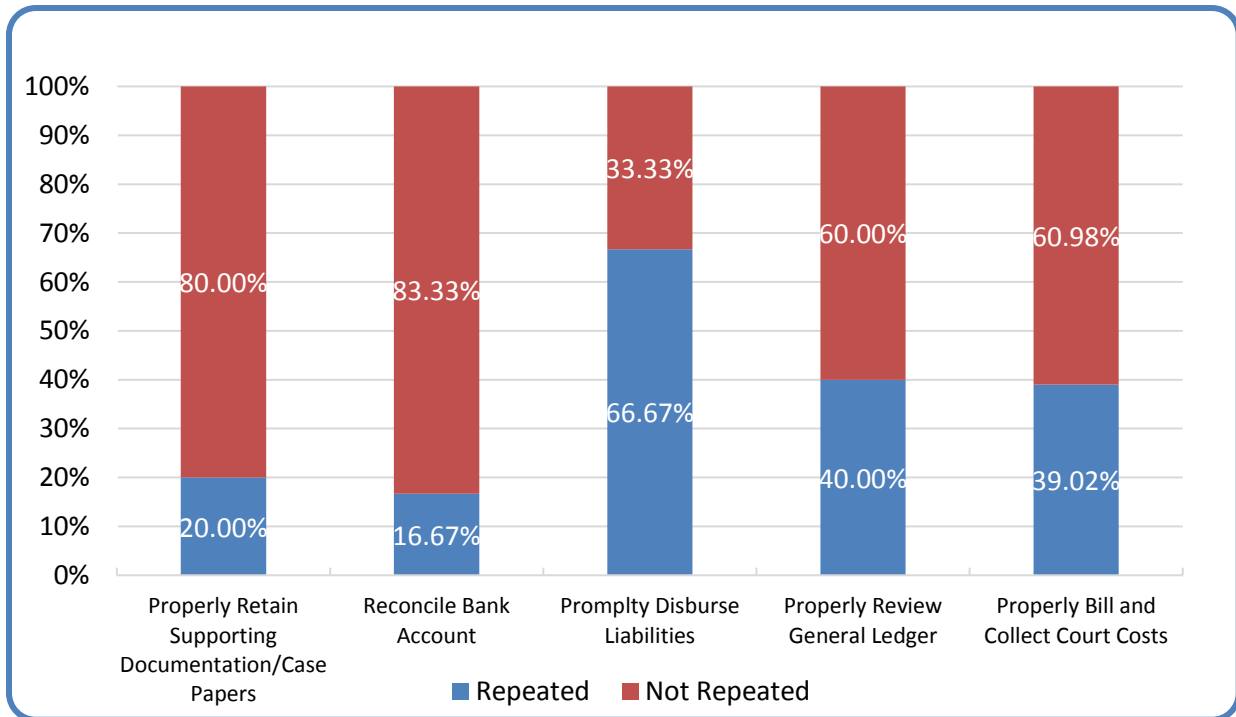
Chart 4



Repeat findings were noted in 19 of the District Court audits. Two of the courts, Buckingham CDC and Lynchburg GDC, have received the same finding for four or more years. Chart 5 below contains additional information about the frequency of repeat findings.

### Percentage of Repeat Findings

Chart 5



APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Accomack	GDC	No	
Accomack*	JDR	No	
Albemarle	GDC	Yes	Properly Bill and Collect Court Costs
Albemarle	JDR	Yes	Properly Bill and Collect Court Costs
Alexandria	GDC	Yes	Properly Bill and Collect Court Costs
Alexandria*	JDR	No	
Alleghany	CDC	No	
Amelia	CDC	No	
Amherst	GDC	No	
Amherst	JDR	No	
Appomattox	JDR	Yes	Request Tax Set-Off
Appomattox*	GDC	No	
Arlington	GDC	No	
Arlington*	JDR	No	
Augusta	GDC	Yes	Properly Bill and Collect Court Costs
Augusta*	JDR	No	
Bath	CDC	Yes	Transfer Excess Credit Card Fee Review Individual Account Status Report Promptly Disburse Liabilities
Bedford	JDR	Yes	Properly Bill and Collect Court Costs
Bedford*	GDC	No	
Bland	CDC	No	
Botetourt	CDC	No	
Bristol	GDC	No	
Bristol*	JDR	No	
Brunswick	CDC	Yes	Properly Bill and Collect Court Costs
Buchanan	CDC	No	
Buckingham	CDC	Yes	Properly Bill and Collect Court Costs
Buena Vista	CDC	Yes	Properly Bill and Collect Court Costs
Campbell	JDR	Yes	Promptly Delete System Access Properly Retain Supporting Documentation
Campbell*	GDC	No	
Caroline*	GDC	No	
Caroline	JDR	No	
Carroll	GDC	No	
Carroll*	JDR	No	
Charles City	CDC	No	
Charlotte*	GDC	No	



APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Charlotte	JDR	No	
Charlottesville	GDC	Yes	Properly Maintain and Complete Attorney Waiver Applications Retain Voided Receipts
Charlottesville	JDR	Yes	Properly Bill and Collect Court Costs
Chesapeake	GDC	Yes	Properly Bill and Collect Court Costs
Chesapeake	JDR	Yes	Properly Manage Appealed Cases Properly Retain Case Papers, and Supporting Documentation Properly Bill Locality for Attorney Fees Request Tax Set-Off Refunds Reconcile Bank Account Properly Retain Voided Receipts Properly Complete Manual Receipts Properly Bill and Collect Court Costs
Chesterfield	GDC	No	
Chesterfield*	JDR	No	
Clarke	GDC	No	
Clarke*	JDR	No	
Colonial Heights	GDC	Yes	Escheat Unclaimed Property and Restitution Properly Bill and Collect Court Costs
Colonial Heights*	JDR	No	
Craig	CDC	No	
Culpeper	JDR	No	
Culpeper*	GDC	No	
Cumberland	CDC	No	
Danville	JDR	Yes	Properly Review General Ledger
Danville*	GDC	No	
Dickenson	CDC	No	
Dinwiddie	CDC	No	
Emporia	CDC	No	
Essex	CDC	No	
Fairfax City	GDC	No	
Fairfax County	JDR	No	
Fairfax County*	GDC	No	
Falls Church	CDC	Yes	Request Tax Set-Off Refunds
Fauquier	GDC	Yes	Reconcile Bank Account

APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Fauquier	JDR	Yes	Properly Maintain Daily Collection Reports and Voided Receipts Request Tax Set-Off Refunds
Floyd	CDC	No	
Fluvanna	CDC	No	
Franklin	CDC	No	
Franklin County	JDR	Yes	Properly Bill and Collect Court Costs
Franklin County*	GDC	No	
Frederick	GDC	No	
Frederick	JDR	No	
Fredericksburg*	JDR	No	
Fredericksburg	GDC	No	
Galax	CDC	No	
Giles	CDC	No	
Gloucester	GDC	No	
Gloucester*	JDR	No	
Goochland	CDC	Yes	Properly Bill and Collect Court Costs
Grayson	CDC	No	
Greene	CDC	No	
Greensville	CDC	No	
Halifax	GDC	No	
Halifax*	JDR	No	
Hampton	GDC	Yes	Properly Bill and Collect Court Costs
Hampton*	JDR	No	
Hanover	GDC	Yes	Reconcile Bank Account
Hanover*	JDR	No	
Henrico*	JDR	Yes	Properly Escheat Funds Improve Accounts Receivable Management
Henrico	GDC	No	
Henry	GDC	Yes	Properly Complete and Maintain Waivers Properly Bill and Collect Court Costs
Henry*	JDR	Yes	Properly Bill and Collect Court Costs
Highland	CDC	No	
Hopewell	CDC	No	
Isle Of Wight	GDC	Yes	Properly Assess Costs to Defendants Reconcile Bank Account
Isle Of Wight	JDR	No	
James City / Williamsburg	GDC	No	

APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
James City / Williamsburg*	JDR	No	
King And Queen*	GDC	No	
King And Queen	JDR	No	
King George	CDC	No	
King William	JDR	No	
King William*	GDC	No	
Lancaster	GDC	No	
Lancaster*	JDR	No	
Lee	CDC	No	
Loudoun	GDC	Yes	Properly Bill and Collect Court Costs
Loudoun	JDR	Yes	Properly Review General Ledger Properly Bill and Collect Court Costs Request Tax Set-Off Refunds
Louisa	GDC	No	
Louisa*	JDR	No	
Lunenburg	CDC	No	
Lynchburg	GDC	Yes	Properly Bill and Collect Court Costs
Lynchburg	JDR	Yes	Improve Procedures for Processing Court Appointed Attorney Invoices Request Tax Set-Off Refunds
Madison	CDC	No	
Martinsville	GDC	No	Properly Bill and Collect Court Costs
Martinsville*	JDR	No	
Mathews	GDC	Yes	Request Tax Set-Off Refunds Properly Complete Voided Receipts
Mathews*	JDR	No	
Mecklenburg	JDR	No	
Mecklenburg*	GDC	No	
Middlesex	GDC	Yes	Properly Review General Ledger Request Tax Set-Off Refunds Properly Document Voided Receipts
Middlesex*	JDR	No	
Montgomery	JDR	No	
Montgomery	GDC	No	
Nelson	GDC	No	
Nelson*	JDR	No	
New Kent	GDC	No	
New Kent*	JDR	No	

APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Newport News	JDR	No	
Newport News (Civil)	GDC	No	
Newport News (Criminal)	GDC	No	
Newport News (Traffic)	GDC	No	
Norfolk	GDC	No	
Norfolk	JDR	No	
Northampton	JDR	No	
Northampton*	GDC	No	
Northumberland	GDC	No	
Northumberland	JDR	No	
Nottoway	CDC	No	
Orange	CDC	No	
Page	JDR	Yes	Properly Bill and Collect Court Costs
Page	GDC	No	
Patrick	GDC	No	
Patrick	JDR	No	
Petersburg*	GDC	No	
Petersburg	JDR	No	
Pittsylvania	JDR	Yes	Properly Bill and Collect Court Costs
Pittsylvania	GDC	No	
Portsmouth	GDC	No	
Portsmouth*	JDR	No	
Powhatan	CDC	No	
Prince Edward	CDC	Yes	Properly Bill and Collect Court Costs
Prince George	CDC	Yes	Reconcile Bank Account Timely Request Tax Set-Off Refunds Properly Review General Ledger Properly Bill and Collect Court Costs
Prince William	GDC	Yes	Properly Document and Retain Voided Receipts Retain Supporting Documentation Properly Bill and Collect Court Fines and Costs
Prince William	JDR	Yes	Properly Bill and Collect Court Costs
Pulaski	GDC	No	
Pulaski	JDR	No	
Radford	CDC	No	
Rappahannock	CDC	No	

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Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Richmond	JDR	Yes	Review Financial System Reports Properly Bill and Collect Court Costs
Richmond (Civil)	GDC	No	
Richmond (Crim/Traf)*	GDC	No	
Richmond (Manchester Crim/Traf)	GDC	No	
Richmond County	CDC	No	
Roanoke	GDC	Yes	Properly Bill Locality for Public Defender Fees Properly Update Individual Receivable Accounts
Roanoke	JDR	Yes	Properly Bill and Collect Court Costs
Roanoke County	JDR	Yes	Properly Bill and Collect Court Costs
Roanoke County	GDC	No	
Rockbridge	GDC	Yes	Properly Maintain Case Papers and Records Properly Bill and Collect Court Costs Properly Monitor and Disburse Liabilities Request Tax Set-Off Refunds Retain Voided Receipts
Rockbridge	JDR	Yes	Retain Voided Receipts Monitor and Disburse Escrow Fund Properly Bill Locality for Public Defender Fees Properly Bill and Collect Court Costs
Rockingham	GDC	No	
Rockingham*	JDR	No	
Russell	CDC	No	
Salem	CDC	No	
Scott	CDC	No	
Shenandoah	GDC	No	
Shenandoah	JDR	No	
Smyth	GDC	No	
Smyth*	JDR	No	
Southampton	CDC	No	
Spotsylvania	JDR	No	
Spotsylvania*	GDC	No	
Stafford	JDR	No	
Stafford	GDC	No	

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Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Staunton	GDC	Yes	Retain Voided Receipts Bill Locality for Attorney Fee
Staunton*	JDR	No	
Suffolk	GDC	Yes	Retain Voided Receipts
Suffolk*	JDR	No	
Surry	CDC	Yes	Properly Bill and Collect Court Costs
Sussex	CDC	Yes	Properly Bill and Collect Court Costs
Tazewell	JDR	No	
Tazewell	GDC	No	
Virginia Beach	JDR	Yes	Properly Bill and Collect Court Costs
Virginia Beach	GDC	No	
Warren	GDC	Yes	Properly Retain Court Financial Records
Warren	JDR	No	
Washington	GDC	No	
Washington*	JDR	No	
Waynesboro*	JDR	No	
Waynesboro	GDC	No	
Westmoreland	JDR	No	
Westmoreland*	GDC	No	
Winchester	JDR	No	
Winchester*	GDC	No	
Wise/Norton	GDC	Yes	Properly Review General Ledger <b>Properly Monitor and Disburse Liabilities</b> Request Tax Set-Off Refunds Properly Bill and Collect Court Costs <b>Reconcile Bank Account</b> Review Daily Financial Reports
Wise/Norton	JDR	Yes	Properly Bill and Collect Court Costs
Wythe	GDC	No	
Wythe	JDR	No	
York	GDC	No	
York*	JDR	No	

\*Limited Control Review Performed