



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

November 23, 2009

The Honorable James A. Moore
Chief Judge
City of Suffolk General District Court
150 North Main Street, 2nd Floor
Suffolk, VA 23434

Audit Period: July 1, 2008 thru June 30, 2009
Court System: City of Suffolk
Judicial District: Fifth

We are performing a statewide audit of the General District Courts. During our review of this court, we conducted certain audit procedures, as we deemed appropriate.

Management of this court is an important part of the court's accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review we noted certain matters that required management's attention and corrective action. These matters included:

Properly Bill the Locality and Assess Fines and Costs

The clerk does not properly bill the locality and charge fines and costs as required by Sections 19.2-163 and 17.1-275 of the Code of Virginia. The Court charges the Defendants certain statutory costs to recover a portion of state and local costs associated with the judgment. When the Clerk does not properly charge the defendant with the appropriate costs then neither the Commonwealth nor the locality may recover cost and therefore losses revenues. Of 17 cases tested, we noted the following.

- The locality received credit on three state cases instead of the Commonwealth.
- The locality received credit for six state cases with court-appointed attorney costs instead of the Commonwealth.
- Two local cases with court-appointed attorney costs submitted to the Commonwealth for payment, rather than recovering the funds from the locality.
- The Court assessed a traffic fee in one case, but recorded the recovery of costs in the wrong fund.

We determined the Commonwealth loss totaled \$975.00. We recommend the Clerk review all similar cases to correct assessments, recover costs from the locality and collect defendant receivables.

Improve Debt Set-Off Procedures

The clerk failed to respond and collect two delinquent accounts, when the Department of Taxation informed the Clerk that they had collected \$221 from the defendants. The Department of Taxation has an automated system known as the Integrated Revenue Management System (IRMS), which courts can use to collect delinquent fine and cost from defendant's tax refunds.

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The clerk should make every effort to collect fees, fines and other costs on behalf of the local government and the Commonwealth by responding to all matches and ensuring continuity of process. Additionally, the back-up deputy clerk responsible for certifying and finalizing matched accounts has failed to maintain an active password for two audit periods.

Properly Complete and Retain Supporting Documentation

The Clerk does not maintain all required supporting documentation for court appointed attorney payments and inconsistently follows the normal procedures for payment. Section 19.2-163 of the Code of Virginia permits court appointed attorneys to apply for additional fees when cases warrant additional fees due to time or difficulty.

The Office of the Executive Secretary Supreme Court of Virginia has established guidelines for the submission and approval of these waiver applications to ensure all disbursements from the Criminal Injuries Compensation Fund comply with the Code of Virginia. Control procedures include individual applications, signatures from the attorney, clerk, presiding Judge and Chief Judge, and sets the procedure for the retention of these documents.

We note the Clerk does not consistently follow all of these procedures including the retention of the documentation of the waiver applications and approval. Failure to follow approved procedures could result in attorneys receiving excess amounts or duplicate payments for the same waiver. The Clerk should work to ensure that this office follows all the appropriate procedures, thus safeguarding the fund from erroneous payments.

Properly Approve the Reporting of Leave

The Judge does not approve the reporting of leave taken by the Clerk. Instead, the Clerk completes and approves her own leave report. Section 2102.3 of the Human Resources Policy Manual requires the supervising Judge to approve the reporting of the Clerk's leave. Supervisory review and approval is an essential internal control to ensure the accuracy and appropriateness of transactions. Allowing someone to prepare and approve their own leave without a supervisory review can result in both intentional and unintentional errors going undetected. We recommend the supervising Judge immediately begin reviewing and approving the reporting of the Clerk's leave.

We acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable William R. Savage III, Judge
The Honorable W. Parker Council III, Judge
Brenda Brown, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia