



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 7, 2026

The Honorable Claiborne Stokes, Jr.
Chief Judge
County of Madison General District Court

The Honorable Deborah Tinsley
Chief Judge
County of Madison Juvenile and Domestic Relations District Court

Review Period: July 1, 2024, through June 30, 2025
Court System: County of Madison
Judicial District: Sixteenth

We have reviewed the financial operations for the Combined District Court Clerk's office for the County of Madison for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate and test the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

Annually, we use a risk-based approach to perform either a comprehensive or limited control review for each of the Commonwealth's district courts. A comprehensive review involves procedures designed to review, in detail, areas such as receipts, disbursements, system access security, accounts receivable, and liability management. A limited control review involves the evaluation of the Clerk's responses to an internal control questionnaire; general ledger, system access, and reconciliation review; evaluation of significant variances in collections from the prior year; and some limited procedures related to the assessment of fines and collection of receivables. We perform limited control reviews on courts that we consider to be low risk based on the results of previous reviews and an overall assessment of the individual court environment, with no more than two consecutive limited control reviews in a three-year period. For this locality, we performed a comprehensive review for the year ended June 30, 2025.

Management is responsible 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 information, effectiveness and efficiency of financial 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. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

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

Request Tax Set-Off Refunds

Repeat: Yes (First issued in fiscal year 2024)

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax set-off of refunds for delinquent court costs and fines totaling \$1,590, resulting in a loss of revenue to the Commonwealth and locality. Section 58.1-521 of the Code of Virginia requires that all courts use the tax set-off program to collect unpaid fines and costs. Courts must submit claims for setoff of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Properly Assess and Bill Court Fines and Costs

Repeat: No

The Clerk and the Clerk's staff did not properly assess and bill court fines and costs. In 12 of 60 (20%) cases tested, we noted the following errors.

- In nine cases, the Clerk overcharged defendants a total of \$1,057 in court costs.
- For three cases, the Clerk miscoded in the financial system fines of \$230 as local instead of Commonwealth.
- The Clerk did not charge the defendant in one case \$71 in court costs.

The amounts above are based on actual errors noted within our sample of court transactions, the impact of which we did not project to all transactions of the court. The Clerk and the Clerk's staff should correct the specific cases noted above, seek additional training in the assessment and billing of court fines and costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should assess and bill court fines and costs in accordance with the Code of Virginia.

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We acknowledge the cooperation extended to us by the Clerk and the Clerk's staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/vks

cc: The Honorable Theresa Carter, Judge
The Honorable Ronald Morris, Judge
Wendy Gallihugh, Clerk
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia