



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 12, 2017

The Honorable Marcus A. Brinks
Chief Judge
County of Henry General District Court
3160 Kings Mountain Road, Suite A
Martinsville, VA 24112

Audit Period: July 1, 2015 through June 30, 2016
Court System: County of Henry
Judicial District: Twenty-first

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:

Transfer Excess Credit Card Fees

The Clerk held excess credit card surcharge fee collections of \$5,561 until the audit, rather than depositing them with the State Treasurer. The courts collect a fee when defendants pay fines and costs with a credit card to cover surcharges assessed to the court. The Clerk pays the surcharge fees monthly when the credit card statement is received.

The Financial Management System User's Guide requires clerks to maintain an average of three months of surcharge payments and transfer the excess funds to the Commonwealth. The Clerk should deposit all excess credit card surcharge fees to the Commonwealth on a quarterly basis.

Properly Bill and Collect Court Costs

The Clerk and her staff did not properly bill and collect court costs. In 34 cases tested, we noted the following errors.

The Honorable Marcus A. Brinks, Chief Judge
January 12, 2017
Page Two

- In four cases, the court did not bill defendants for court costs totaling \$123, resulting in a loss of revenue to the Commonwealth and locality.
- In one appealed case, court costs of \$25 were not certified to the circuit court, resulting in a potential loss of revenue to the locality.

The Clerk and her staff should correct the specific cases noted above and institute a more diligent 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 the Code of Virginia.

Properly Update Individual Receivable Accounts

The Clerk does not update and remove accounts, when applicable, from administrative review status. The Clerk places accounts in administrative review status when defendants request the use of community service participation to satisfy unpaid fines and costs. If the defendants do not complete the community service, the Clerk should take the unpaid account out of review status and send it to the collection agent and the Department of Motor Vehicles for license suspension. The Clerk placed 26 accounts in administrative review status and did not remove them from this status when notified that the defendants had not performed community service.

The Clerk should update the individual accounts noted above and review and take appropriate and timely action on all accounts in administrative review status as required by the Financial Management System User's Guide.

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

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: Stacie Renae Prillaman, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia