



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 2, 2018

The Honorable Shawn L. Hines
Chief Judge
County of Wise and the City of Norton General District Court
P.O. Box 306
Jonesville, VA 24263-0306

Audit Period: July 1, 2017 through June 30, 2018
Court System: County of Wise and the City of Norton
Judicial District: Thirtieth

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 Review General Ledger

Repeat: Yes, (first issued in Fiscal Year 2017)

The former Clerk did not properly review the court's general ledger to ensure account balances are appropriate. As of June 2018, the former Clerk was holding \$105 in tax refunds that should have been allocated to defendants' accounts. Additionally, two accounts had balances that had not been researched and corrected. The new Clerk should correct the current errors and going forward should review the general ledger on a daily basis to ensure the propriety of all account balances.

Reconcile Bank Account

Repeat: Yes, (first issued in Fiscal Year 2015)

The former Clerk did not reconcile the court's bank account during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. The new Clerk should perform monthly bank reconciliations upon receiving the bank statements as required by the court's financial system user's guide.

Request Tax Set-Off Refunds

Repeat: Yes, (first issued in Fiscal Year 2017)

The former 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 \$6,062, resulting in a loss of revenue to the Commonwealth and Locality. A court must submit claims for set-off of tax refunds through Taxation's automated accounting system. The new Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Properly Bill and Collect Court Costs

Repeat: Yes, (first issued in Fiscal Year 2017)

The former Clerk and her staff did not properly bill and collect court costs. In 48 cases tested, we noted the following errors.

- In three cases, court-appointed attorney fees were assessed incorrectly, resulting in defendants being overcharged \$215 and a loss to the Commonwealth of \$60.
- In one case, the defendant was not charged court costs upon conviction, resulting in a loss to the Commonwealth of \$301 and \$15 to the locality.
- In three cases, jail admission fees were charged incorrectly, resulting in defendants being overcharged \$25 and a loss to the locality of \$50.
- In three cases, court-appointed attorney vouchers totaling \$1,800 could not be located; therefore, we were unable to verify the costs were approved and appropriate.

The current Clerk and her staff should correct the specific cases noted above and should establish a 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 Code of Virginia.

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

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Ronald K. Elkins, Judge
Sherry L. Bishop, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia