



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

April 1, 2015

The Honorable Stephen D. Bloom  
Chief Judge  
City of Hopewell General District Court  
315 South Main Street  
Emporia, VA 23847

The Honorable Carson E. Saunders, Jr.  
Chief Judge  
City of Hopewell Juvenile and Domestic Relations District Court  
315 South Main Street  
Emporia, VA 23847

Audit Period: July 1, 2013 through June 30, 2014  
Court System: City of Hopewell  
Judicial District: Sixth

We are performing a statewide audit of the Combined 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 and Collect Court Fines and Costs (Repeat Finding)**

The former Clerk did not provide adequate training and oversight to her staff to ensure that they were properly billing and collecting court fines and costs, resulting in a loss of revenue to the Commonwealth and locality. In 30 cases tested, the auditor noted the following errors.

- In 11 cases, the Commonwealth instead of the locality was incorrectly billed for court appointed attorney fees totaling \$1,260. In addition fines were incorrectly coded in these cases resulting in an \$850 loss to the locality and an \$800 loss to the State.

The Honorable Stephen D. Bloom, Chief Judge  
The Honorable Carson E. Saunders, Jr., Chief Judge  
April 1, 2014  
Page Two

- In three cases, we could not determine if the Commonwealth or the locality was billed for court appointed attorney fees due to insufficient documentation.
- In 13 cases, court appointed attorney fees were assessed incorrectly, resulting in some defendants being undercharged a total of \$528 and others being overcharged by \$1,180.

The acting Clerk should work with her staff to ensure they understand billing and collecting requirements and, if necessary, request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

#### **Maintain Court Appointed Attorney Records (Repeat Finding)**

Supporting documentation could not be located in five cases to allow us to determine whether or not the Commonwealth or locality were properly billed for court appointed attorney fees or if the correct amount was assessed to the defendants. This is due to the former Clerk's inadequate filing system.

The Clerk should establish an appropriate filing system to ensure the proper court appointed attorney records are maintained in accordance with the Court Appointed Counsel Guidelines and Procedures Manual.

#### **Request Tax Set-Off Refunds**

The former Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax set-off of refunds totaling \$159 for delinquent court costs and fines in fiscal year 2014 resulting in a loss of revenue to the Commonwealth and locality. The claims were not submitted because the former Clerk did not have adequate staff trained for and assigned to this task.

A court must submit claims for set-off of tax refunds through TAX's automated accounting system, the Integrated Revenue Management System. The Clerk should ensure that there is adequate staff trained to use the tax refund set-off process to the fullest extent in order to maximize collections as required by the Code of Virginia.

#### **Properly Maintain Voided Receipts**

In five of six voided receipts tested, the former Clerk did not document the reason for the void and in one instance did not retain all copies of the voided receipt. This was due to a lack of adequate procedures for handling voided transactions.

The Honorable Stephen D. Bloom, Chief Judge  
The Honorable Carson E. Saunders, Jr., Chief Judge  
April 1, 2014  
Page Three

Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should ensure that there is a process in place whereby the reason for voided transactions are documented and all copies of voided receipts are retained 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: The Honorable Jacqueline R. Waymack, Judge  
The Honorable Bruce A. Clark Jr., Judge  
The Honorable H. Lee Townsend III, Judge  
Ellen T. Chiasson, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia