



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

December 17, 2010

The Honorable Margart W. Deglau
Chief Judge
County of Henrico Juvenile and Domestic Relations Court
P. O. Box 90775
Henrico, VA 23273-0775

Audit Period: July 1, 2009 through June 30, 2010
Court System: County of Henrico
Judicial District: Fourteenth

We are performing a statewide audit of the Juvenile and Domestic Relations 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:

Request Tax Set Off Refunds

The Clerk failed to collect potentially \$1,051 of state funds by not requesting the Department of Taxation tax set off refunds for individuals against the amount owed for delinquent fines and court costs as required by Section 58.1-524 (A) of the Code of Virginia. Further, the Clerk does not have appropriate back-up for instances in which she is not available. The Clerk should promptly respond to tax set off refunds held by the Department of Taxation.

Improve Accounts Receivable Management

The Clerk did not properly enter or bill for court appointed attorney fees, collect fines involving local and state charges, and update the financial management system. The auditor tested 72 cases and noted the following errors.

Court Appointed Attorney Fees

- In nine cases, the Clerk did not properly bill the locality for the court appointed attorney fees involving local cases as required by Section 19.2-163 of the Code of Virginia. Instead, the Clerk incorrectly billed the Commonwealth, which paid \$1,080.00.

The Honorable Margart W. Deglau, Chief Judge
December 17, 2010
Page Two

- In nine cases with local violations, the Clerk failed to properly enter court appointed attorney fees against the defendant as required by Section 19.2-163 of the Code of Virginia. This resulted in a loss of revenue to the Commonwealth totaling \$1,080.00.
- In four cases, the Clerk erroneously billed juveniles for court appointed attorney fees totaling \$378.75.

Collection of Fines

- In one case involving a local violation, the Clerk failed to record the fine to the Locality. The Clerk incorrectly identified a charge against a defendant as a state violation rather than local resulting in a loss of revenue to the locality totaling \$50.00.

Data Entry

- In six cases, the Clerk failed to properly enter defendant court costs in the Financial Management System. This resulted in the miscoding of payments totaling \$150.00.
- The Clerk and her staff did not enter the correct payment due dates into the court's accounting system in all four cases tested. If defendants cannot pay their fines and court costs within 15 days of sentencing, Section 19.2-354 of the Code of Virginia requires a court order or payment agreement. Improper due dates for individual accounts hinder collection efforts and could also result in loss of revenue for both the Commonwealth and the locality.

We recommend the Clerk research all similar cases, make the appropriate corrections to case paperwork, and where appropriate, bill the localities for the applicable court appointed attorney fees and reimburse the Commonwealth. Further, we recommend the Clerk work with the Office of the Executive Secretary to receive training in these billing practices, in the assessment of court costs and updating the Financial Management System.

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

AUDITOR OF PUBLIC ACCOUNTS

WJK: clj

cc: The Honorable Stuart L. Williams; Jr., Judge
The Honorable Denis Soden, Judge
The Honorable Richard S. Wallerstein; Jr., Judge
Rebecca L. Cone, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia