

**THE CLERK OF THE
GENERAL DISTRICT COURT
CRIMINAL DIVISION
FOR THE
CITY OF RICHMOND**

**REPORT ON AUDIT
FOR THE PERIOD
OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008**





Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

February 18, 2009

The Honorable Joi Taylor
Chief Judge
City of Richmond - Criminal Division
General District Court
400 North Ninth Street
Richmond, VA 23219

Mr. Karl R. Hade
Executive Secretary
Office of the Executive Secretary
of the Supreme Court of Virginia

Audit Period: October 1, 2007 through September 30, 2008
Court System: City of Richmond - Criminal Division
Judicial District: Thirteenth
Magisterial District: Sixth

We have audited the cash receipts and disbursements of the Clerk of the General District Court and the associated Magistrates for this locality. Our primary objectives for both the Court and the Magistrates were to test the accuracy of financial transactions recorded on the applicable financial management system; evaluate internal controls; and test its compliance with significant state laws, regulations, and policies.

Management's Responsibility

Court and Magistrate management has responsibility 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 reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Additionally, we noted no instances of improper recording and reporting of financial transactions in the Magistrates' financial management records.

Internal Controls

We noted matters involving internal control and its operation necessary to bring to Court management's attention.

We noted no matters involving internal control and its operation necessary to bring to Magistrate management's attention.

Compliance

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance in the Court that are required to be reported.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance with the Magistrates that are required to be reported.

We acknowledge the cooperation extended to us by the Court and the Chief Magistrate during this engagement. The issues identified above are discussed in the section titled Comments to Management.

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: The Honorable Phillip L. Hairston, Judge
The Honorable D. Eugene Cheek, Judge
Richard H. Bowling, Clerk
Jeff Lanham, Regional Magistrate Supervisor
Deborah Meade-Jackson, Chief Magistrate
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia

COMMENTS TO MANAGEMENT

Internal Controls and Compliance

We noted the following matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The results of our tests of compliance with applicable laws and regulations also disclosed the following instances of the Clerk's noncompliance.

Improve Tax Set-off Procedures

The Clerk and his staff are not attempting to collect delinquent court costs and fines as required by section 58.1-524 (A) of the Code of Virginia, since they have not received the Department of Taxation's certification to use the Integrated Revenue Management System (IRMS). Taxation's guidelines require all individuals using the tax set-off refunds for individuals process undergo special training and as of January 2009 the Clerk did not have staff certified to use IRMS.

Since fiscal year 2006, a court must request the tax refunds through the Department of Taxation's automated accounting system IRMS. The Clerk and his staff should immediately request training in using IRMS from the Department of Taxation.

Properly Assess and Bill Costs on Cases

Our test work found the following.

- In 14 of the 15 cases tested, the Clerk did not bill the locality for the costs of the Court Appointed Attorney or Public Defender when the defendant appeared under a local warrant or summons. This resulted in a loss of revenue to the Commonwealth of Virginia of \$1,078.
- In 12 of the 15 cases tested, the Clerk improperly assessed the applicable local appointed attorney or public defender fees as Commonwealth fees. This resulted in a \$965 loss of revenue to the City of Richmond.

We recommend that the Clerk take immediate corrective action to ensure that his staff understands the process for assessing costs in accordance with Section 19.2 – 163 of the Code of Virginia. We also recommend the Clerk implement a monthly review to ensure staff is appropriately assessing costs and fees properly.