



Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 21, 2013

The Honorable Phillip L. Hairston
Chief Judge
City of Richmond - Traffic Division General District Court
920 Hull Street
Richmond, VA 23220

Audit Period: July 1, 2011 through June 30, 2012
Court System: City of Richmond - Traffic Division
Judicial District: Thirteenth

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:

Request Tax Set-Off Refunds

The Clerk did not submit claims to the Virginia Department of Taxation (TAX) for tax set-off of refunds totaling \$2,769 for delinquent court costs and fines, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off of tax refunds through TAX's automated accounting system called the Integrated Revenue Management System. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

Properly Record and Collect Court Costs

The Clerk overcharged a defendant by \$609 for the Courthouse Security Fee. Additionally, the court forwarded the account to the private collection agent, Parrish and Lebar LLP, who collected all funds on the account. We recommend the Clerk immediately correct this case and refund any overpayment to the defendant. The Clerk should ensure that court costs are recorded and collected in accordance with the Code of Virginia and the private collection agent contract.

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

AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable Birdie H. Jamison, Judge
Rebecca A. Schmidt, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia