



# Commonwealth of Virginia

*Auditor of Public Accounts*

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

May 7, 2013

The Honorable Theodore J. Burr Jr.  
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, 2011 through June 30, 2012  
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 noted certain matters that required management's attention and corrective action. These matters included:

## Transfer Excess Credit Card Fees

The Clerk held excess credit card surcharge fee collections of \$8,500, rather than depositing them with the State Treasurer. To cover surcharges, the courts collect a fee when defendants pay their fines and costs with a credit card.

The courts pay the surcharge fee monthly when they receive their credit card statements. The Financial Management System User's Guide requires clerks to maintain an average of three months of surcharge payments in the credit card surcharge account.

An analysis of the surcharge payments for the past fiscal year found the average three month balance should be \$4,500 and the clerk had \$13,000. We recommend the clerk deposit the excess credit card surcharge fees to the State Treasurer as required.

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Properly Bill and Collect Court Costs and Fines

The Clerk and her staff did not properly bill and collect court costs and fines resulting in a loss of revenue to the Commonwealth and locality. In 16 of 35 cases tested, we noted the following errors.

- In five local cases, the Clerk incorrectly billed the Commonwealth instead of the locality for court-appointed attorney fees of \$548.
- In five cases, the Clerk did not properly bill defendants for court appointed attorney fees of \$543, resulting in a loss to the Commonwealth.
- In two cases, the Clerk incorrectly entered the charges as local offenses instead of state offenses in the court's automated information system. As a result, the Clerk erroneously billed court-appointed attorney fees of \$45 to the locality, overcharged the defendant \$75 for attorney fees and entered fines of \$375 as local instead of state.
- In two cases, the Clerk incorrectly entered the charges as state offenses instead of local offenses in the court's automated information system. As a result, the Clerk miscoded court-appointed attorney fees of \$240 and fines of \$150 as state instead of local, resulting in a loss to the locality.
- In two cases, the Clerk did not bill defendants for attorney expenses resulting in a loss to both the Commonwealth and the Locality.

The Clerk should correct these specific cases noted above. Further, the Clerk should work with her staff to ensure they understand the billing and collecting requirements and, if necessary, request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

Escheat Unclaimed Property and Restitution

The Clerk did not escheat unclaimed property and restitution totaling \$3,275 as required by Section 55-210.26:1 of the Code of Virginia. We recommend the Clerk remit these funds to the Division of Unclaimed Property and the Criminal Injuries Compensation Fund as required by the Code of Virginia.

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

AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

cc: The Honorable Stephen D. Bloom, Judge  
The Honorable Bruce A. Clark Jr., Judge  
The Honorable Jacqueline R. Waymack, Judge  
Deborah A. Hatcher, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia