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Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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May 15, 2019

The Honorable Brian H. Turpin
Chief Judge
County of Pittsylvania Juvenile and Domestic Relations District Court
P. O. Box 270
Chatham, VA 24531-0270

Audit Period: July 1, 2017 through June 30, 2018
Court System: County of Pittsylvania
Judicial District: Twenty-second

We are performing a statewide audit of the Juvenile and Domestic Relations 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: Yes (first issued in fiscal year 2016)

The Clerk and her staff did not properly bill and collect court fines and costs. In 23 cases tested, we noted the following errors.

- In nine cases, defendants were not charged for \$1,247 in court fines and costs.
- In one case, court costs of \$750 were not certified to the Circuit Court.
- In seven cases, the defendants were overcharged \$200 in fines and \$136 in court costs.

The Clerk and her staff should correct the specific cases noted above and institute a more diligent system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with the Code of Virginia.

Review General Ledger

Repeat: No

The Clerk did not review the court's general ledger to ensure account balances are appropriate. The Clerk delayed allocating \$376 in tax refunds to defendants' accounts for up to eight months. The Clerk should review the general ledger on a daily basis to ensure the propriety of all account balances.

Monitor and Disburse Liabilities

Repeat: No

The Clerk did not properly monitor and disburse liabilities. Specifically, the Clerk did not disburse \$96 that should have been disbursed and delayed escheating unclaimed amounts for up to six months. The Clerk should disburse the amount noted and should monitor and disburse liabilities on a monthly basis, as recommended by the financial accounting system user's guide. In addition, the Clerk should escheat funds as required by §55-210.9:2 of the Code of Virginia.

Properly Reconcile Bank Account

Repeat: No

The Clerk did not consistently perform a proper bank reconciliation during the audit period. A reconciliation was not prepared at all for three months of the audit period and nine reconciliations, although completed, were not dated, making it impossible to determine the timeliness of the reconciliations. Additionally, the Clerk carried the monthly bank service charges as reconciling items for the entire audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds.

The Clerk should perform monthly bank reconciliations upon receiving the bank statements and resolve all reconciling items timely as required by the Financial Accounting System User's Guide.

Improve Management Over Voided Receipts

Repeat: No

The Clerk and her staff did not document the reason for voiding any of the four receipts that were voided during the audit period. Additionally, neither the staff nor the Clerk initialed the voided receipts, indicating their review. Voided transactions pose an increased risk for fraudulent activity, and, as such must be monitored and controlled closely.

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The Clerk and her staff should initial all voided receipts, indicating review of the void, approve all voids, and document the reason for voiding the receipts as required by the Financial Accounting System User's Guide.

Retain Waivers and Timesheets

Repeat: No

The Clerk and her staff did not retain proper supporting documentation for attorney payments. Court appointed attorneys may request additional payment in excess of the statutory cap by submitting detailed waiver applications and detailed timesheets for approval by the Chief and Presiding Judges. In all five attorney invoices tested, the Clerk and her staff did not retain the proper documentation. The Clerk should ensure that all waiver applications and detailed timesheets are approved and retained.

We acknowledge the cooperation extended to us by the Clerk and her staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:vks

cc: The Honorable Timothy W. Allen, Judge
Sherrie D. Lester, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia