



# VIRGINIA DISTRICT COURT SYSTEM

## STATEWIDE REPORT ON AUDITS FOR THE YEAR ENDED JUNE 30, 2020

Auditor of Public Accounts  
Staci A. Henshaw, CPA

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## AUDIT SUMMARY

This statewide report summarizes the findings from our audit of the District Court System for the fiscal year ended June 30, 2020. Our audits resulted in findings in 49 courts, some of which had multiple findings. The most common finding was related to the proper billing and collection of court fines, costs, and restitution. Other findings were related to compliance with tax set-off requirements and internal control weaknesses in accounting areas such as lack of bank reconciliation, improper record retention, inadequate review of internal reports, and improper monitoring and disbursement of liabilities. Repeat findings were noted in 12 of the District Court audits. Two of the Juvenile and Domestic Relations District courts, Franklin County and Pittsylvania have received the same finding since fiscal year 2016.

The potential financial impact of these findings are state revenue losses of approximately \$102,800, locality revenue losses of approximately \$4,600, defendants being overcharged approximately \$14,800, and tax set-off losses of \$51,550.

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Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

September 30, 2021

The Honorable Ralph S. Northam  
Governor of Virginia

The Honorable Kenneth R. Plum  
Chairman, Joint Legislative Audit  
and Review Commission

The Honorable Donald W. Lemons  
Chief Justice, Supreme Court of Virginia

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

We are pleased to submit our **Statewide Report on Virginia District Court System Audits** for the fiscal year ended June 30, 2020. The Auditor of Public Accounts annually audits each General District Court (GDC), Juvenile and Domestic Relations District Court (JDR), and Combined District Court (CDC) to determine whether they have maintained accountability over Commonwealth, locality, and restitution collections; established internal controls; and complied with state laws and regulations. This statewide report summarizes the findings we have previously communicated to the individual Chief Judges, Presiding Judges, Clerks, and the Director of Judicial Services at the Office of the Executive Secretary of the Supreme Court of Virginia upon completing our individual audits. Our reports can be accessed online at [http://www.apa.virginia.gov/APA\\_Reports/Reports.aspx](http://www.apa.virginia.gov/APA_Reports/Reports.aspx).

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

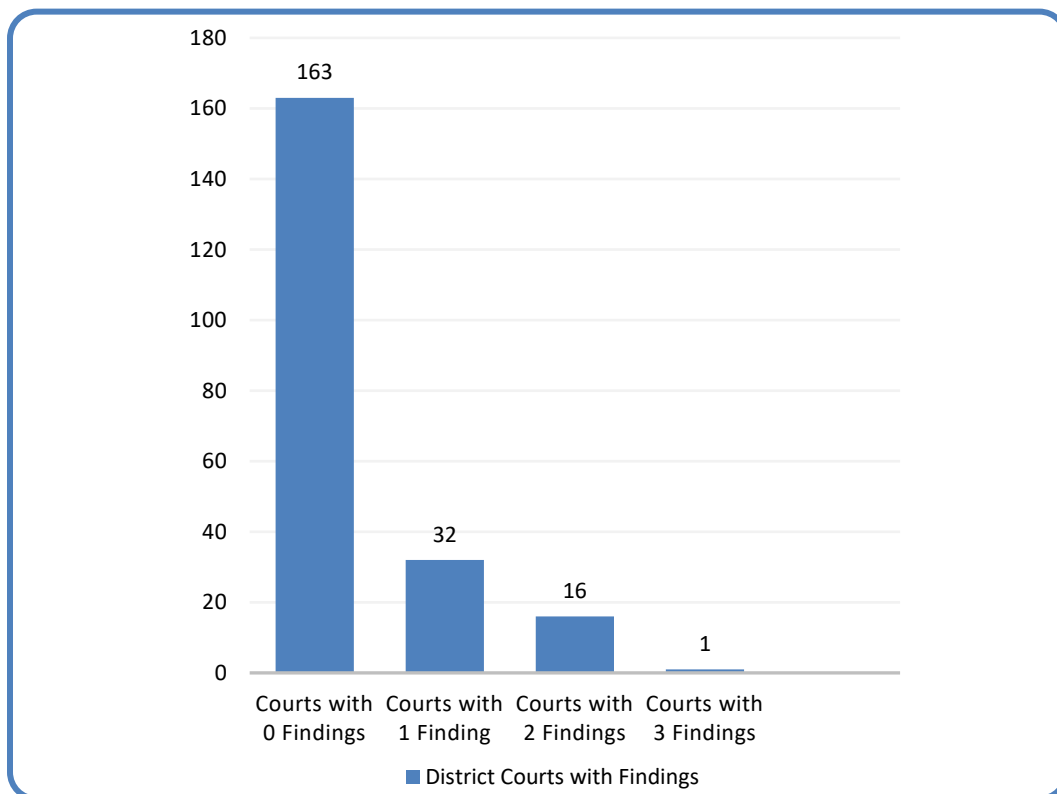
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## INTERNAL CONTROL AND COMPLIANCE FINDINGS SUMMARY

For the year ended June 30, 2020, we completed 212 District Court audits, 142 of which were comprehensive audits and 70 of which were limited control reviews. A comprehensive audit involves audit procedures designed to review, in detail, areas such as revenues, expenditures, system access security, accounts receivable, and liability management. A limited control review involves the completion of an internal control questionnaire and some limited audit procedures based on the results of the questionnaire. Limited control reviews are only performed on courts that have been considered low risk based on the results of previous audits and an overall assessment of the individual court environment. An [Appendix](#) is included following this section that contains a summary of the District Court audit results by locality and court type. As shown in Chart 1 below, our audits identified findings in 49 courts, some with multiple findings including three in Newport News JDR.

**District Court Audit Results**

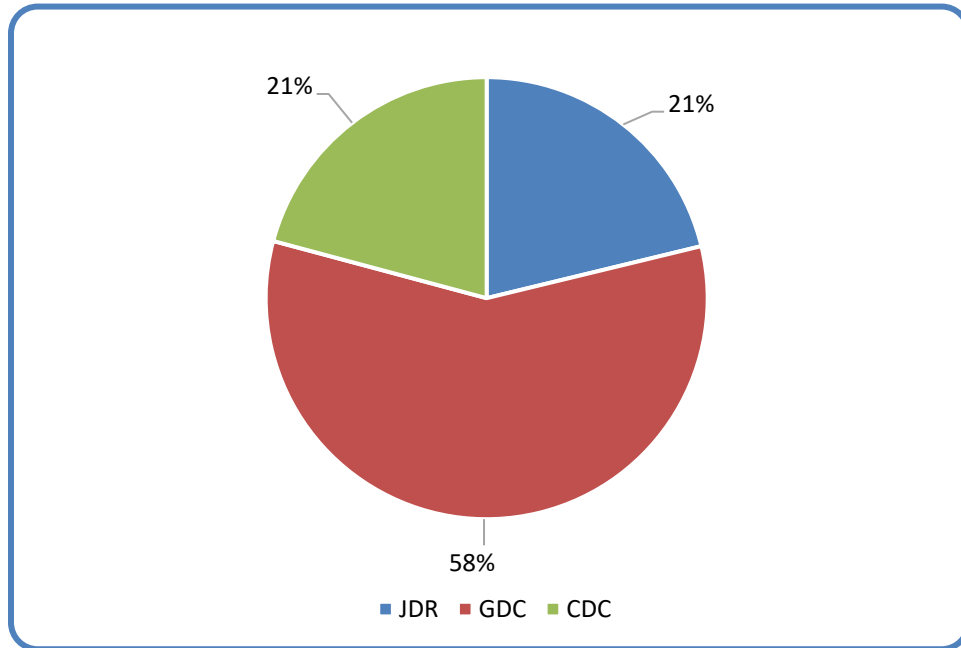
Chart 1



Our analysis of the cumulative results of the audits identified several recurring trends across the Commonwealth. Of the 67 management recommendations made, 58 percent addressed the proper billing and collecting of court fines, costs, and restitution. The potential financial impact of these weaknesses are state revenue losses of approximately \$102,800, locality revenue losses of approximately \$4,600, and defendants being overcharged approximately \$14,800. Chart 2 below shows the distribution of the potential loss of state revenue by court type.

### Potential Loss of State Revenue by Court Type

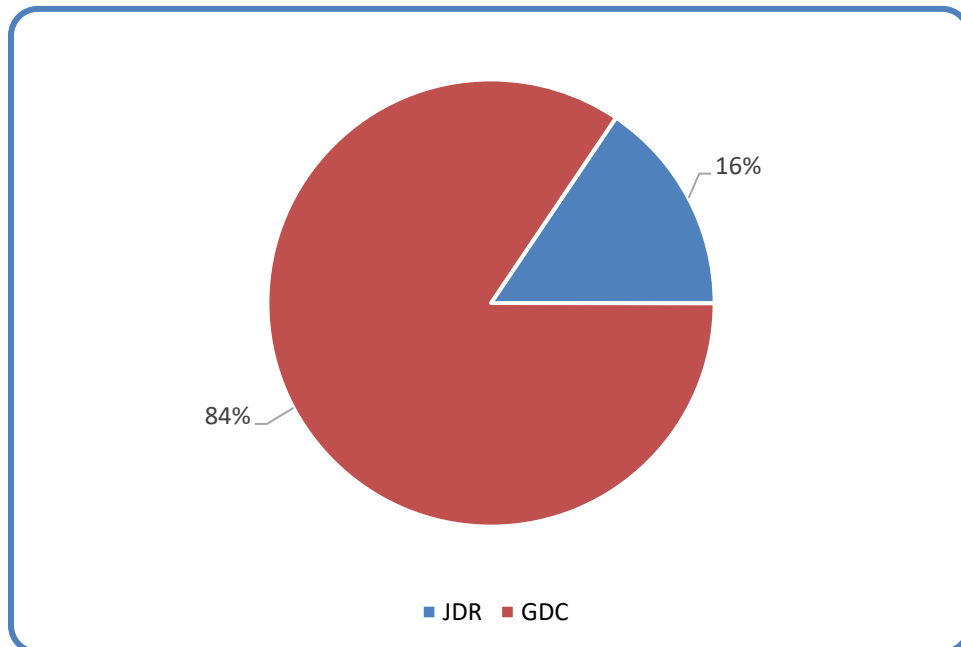
Chart 2



An additional seven findings (10%) identified possible tax set-off losses of \$51,550. Chart 3 below shows the distribution of potential tax set-off losses by court type.

### Potential Tax Set-Off Losses by Courts Type

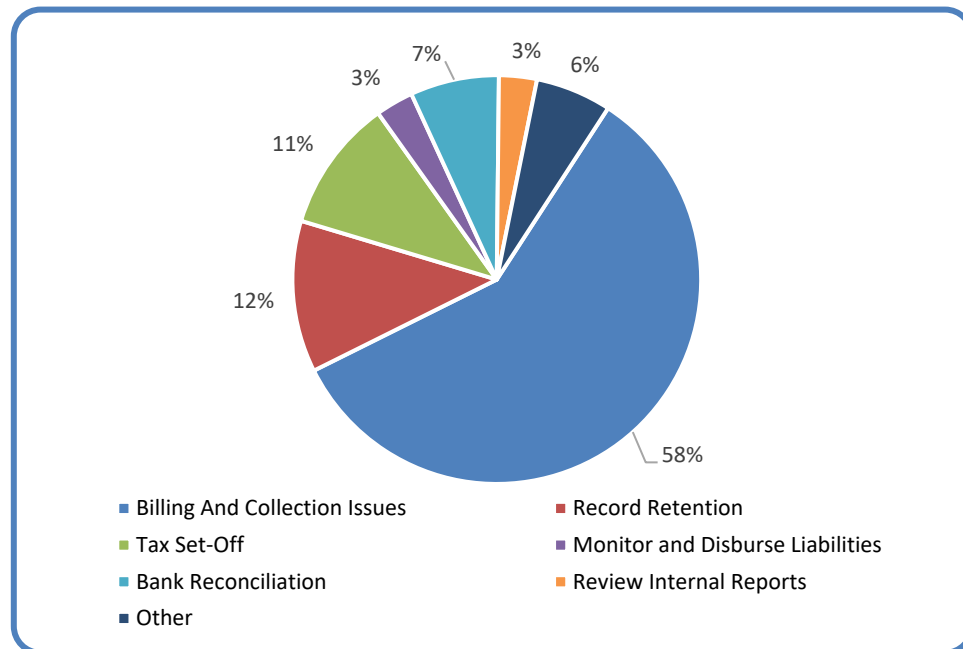
Chart 3



In addition to issues with billing and collection and tax set-off, as shown in Chart 4 below, internal control weaknesses noted in other accounting areas include the lack of bank reconciliations, improper record retention, inadequate reviews of internal reports, and improper monitoring and disbursement of liabilities. A complete list of findings is included in the [Appendix](#) to this report.

**Areas of Concern**

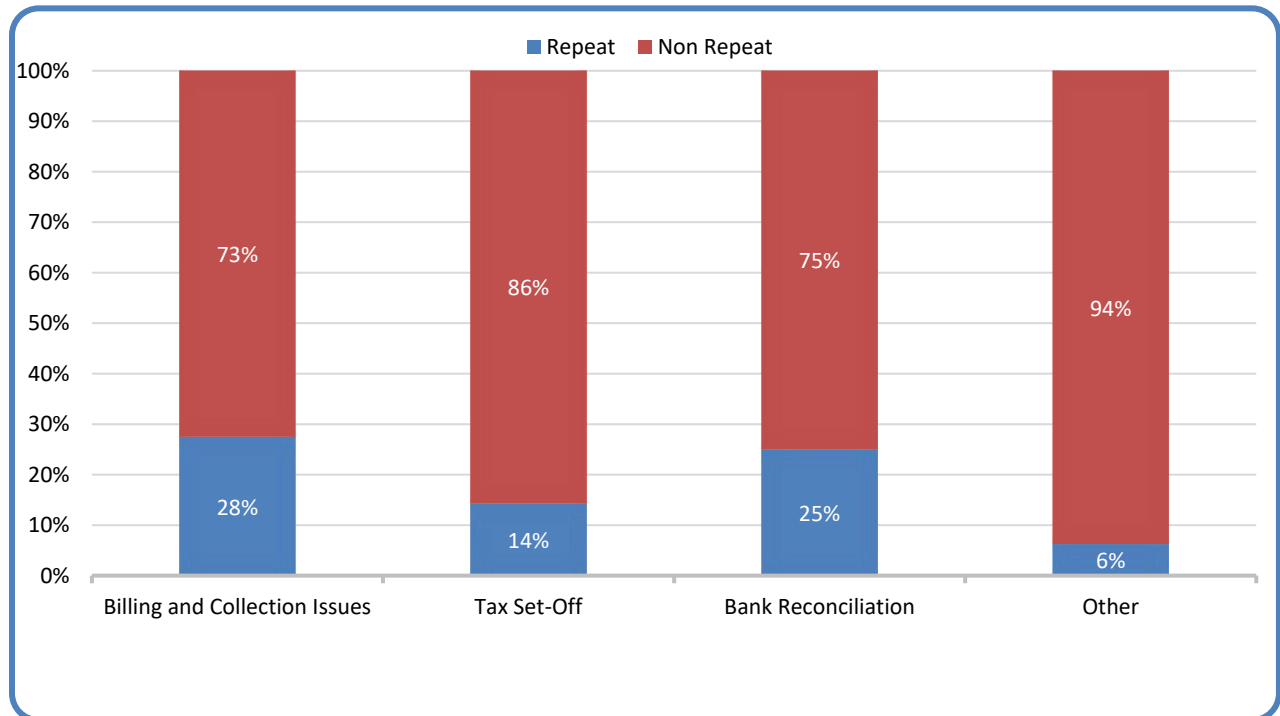
Chart 4



Repeat findings were noted in 12 of the District Court audits. Two of the courts, Franklin County JDR and Pittsylvania JDR, have received the same finding since fiscal year 2016. Chart 5 below contains additional information about the frequency of repeat findings.

**Percentage of Repeat Findings**

Chart 5





## APPENDIX

### SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Accomack	GDC	Yes	Retain Voided Receipts
Accomack	JDR	No	
Albemarle	GDC	No	
Albemarle	JDR	No	
Alexandria*	GDC	Yes	Properly Bill and Collect Court Fines
Alexandria*	JDR	No	
Alleghany*	CDC	No	
Amelia	CDC	No	
Amherst	GDC	No	
Amherst	JDR	No	
Appomattox*	GDC	No	
Appomattox*	JDR	No	
Arlington	GDC	Yes	Reconcile Bank Account Properly Bill and Collect Attorney Fees
Arlington	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Augusta*	GDC	No	
Augusta*	JDR	Yes	Request and Allocate Tax Set-Off Refunds
Bath	CDC	No	
Bedford	GDC	No	
Bedford*	JDR	No	
Bland*	CDC	No	
Botetourt	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Botetourt	JDR	Yes	Properly Bill and Collect Court Costs
Bristol	GDC	No	
Bristol*	JDR	No	
Brunswick	CDC	No	
Buchanan*	CDC	No	
Buckingham*	CDC	No	
Buena Vista*	CDC	No	
Campbell	GDC	No	
Campbell	JDR	No	
Caroline*	GDC	No	
Caroline	JDR	Yes	Retain Supporting Documentation

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### SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Carroll	GDC	No	
Carroll*	JDR	No	
Charles City	CDC	No	
Charlotte*	GDC	No	
Charlotte	JDR	No	
Charlottesville	GDC	No	
Charlottesville*	JDR	No	
Chesapeake	GDC	Yes	Retain Voided Receipts Properly Bill Locality for Attorney Fees
Chesapeake	JDR	Yes	Retain Voided Receipts Properly Bill and Collect Court Costs
Chesterfield	GDC	Yes	Properly Bill and Collect Court Costs
Chesterfield*	JDR	No	
Clarke	GDC	Yes	Reconcile Bank Account Timely Publicly Post Payment Plan Policy
Clarke*	JDR	No	
Colonial Heights	GDC	Yes	Properly Bill and Collect Court Costs
Colonial Heights*	JDR	No	
Craig*	CDC	No	
Culpeper	GDC	No	
Culpeper	JDR	No	
Cumberland	CDC	Yes	Properly Document Voided Transactions Properly Bill and Collect Court Fines and Costs
Danville*	GDC	No	
Danville	JDR	Yes	Review General Ledger Properly Bill and Collect Court Costs
Dickenson*	CDC	No	
Dinwiddie	CDC	No	
Emporia	CDC	Yes	Properly Bill and Collect Court Fines and Costs
Essex	CDC	No	
Fairfax City	GDC	Yes	Properly Bill and Collect Court Costs
Fairfax County	GDC	No	
Fairfax County	JDR	Yes	Properly Monitor and Disburse Liabilities Properly Bill and Collect Court Costs
Falls Church	CDC	No	

## APPENDIX

### SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Fauquier	GDC	Yes	Request Tax Set-Off Refunds Properly Bill and Collect Court Costs
Fauquier	JDR	Yes	Reconcile Bank Account Properly Bill and Collect Court Costs
Floyd*	CDC	No	
Fluvanna	CDC	No	
Franklin*	CDC	No	
Franklin County*	GDC	No	
Franklin County	JDR	Yes	Maintain Waivers Properly Bill and Collect Court Costs
Frederick	GDC	No	
Frederick	JDR	No	
Fredericksburg*	GDC	No	
Fredericksburg	JDR	No	
Galax	CDC	No	
Giles	GDC	No	
Giles	JDR	No	
Gloucester	GDC	Yes	Properly Bill and Collect Court Costs
Gloucester*	JDR	No	
Goochland*	CDC	No	
Grayson*	CDC	No	
Greene*	CDC	No	
Greensville	CDC	Yes	Properly Bill and Collect Court Fines and Costs
Halifax	GDC	No	
Halifax*	JDR	No	
Hampton*	GDC	No	
Hampton	JDR	No	
Hanover	GDC	Yes	Retain Supporting Documentation Properly Bill and Collect Court Costs
Hanover*	JDR	No	
Henrico	GDC	No	
Henrico	JDR	No	
Henry*	GDC	No	
Henry*	JDR	No	
Highland	CDC	No	
Hopewell	CDC	Yes	Properly Bill and Collect Court Costs
Isle of Wight*	GDC	No	

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Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Isle of Wight*	JDR	No	
James City / Williamsburg	GDC	No	
James City / Williamsburg*	JDR	No	
King and Queen*	GDC	No	
King and Queen*	JDR	No	
King George*	CDC	No	
King William*	GDC	No	
King William*	JDR	No	
Lancaster	GDC	No	
Lancaster	JDR	No	
Lee	GDC	No	
Lee	JDR	No	
Loudoun	GDC	No	
Loudoun	JDR	Yes	Request Tax Set-Off Refunds Properly Bill and Collect Court Fines and Costs
Louisa	GDC	No	
Louisa*	JDR	No	
Lunenburg*	CDC	No	
Lynchburg	GDC	No	
Lynchburg	JDR	Yes	Properly Bill and Collect Court Costs
Madison	CDC	No	
Martinsville*	GDC	No	
Martinsville *	JDR	No	
Mathews*	GDC	No	
Mathews*	JDR	No	
Mecklenburg*	GDC	No	
Mecklenburg*	JDR	No	
Middlesex*	GDC	No	
Middlesex*	JDR	No	
Montgomery	GDC	No	
Montgomery	JDR	Yes	Properly Bill and Collect Court Costs
Nelson	GDC	Yes	Bill Locality for Attorney Fees
Nelson	JDR	No	
New Kent	GDC	No	
New Kent*	JDR	No	
Newport News (Civil)	GDC	No	

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### SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Newport News (Criminal)	GDC	Yes	Properly Bill and Collect Court Fines and Costs Properly Maintain List of Allowances and Waiver Applications
Newport News (Traffic)	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Newport News	JDR	Yes	Request Tax Set-Off Refunds Properly Bill and Collect Court Costs Deposit Funds and Remit State Collections Timely
Norfolk	GDC	No	
Norfolk	JDR	No	
Northampton	GDC	No	
Northampton	JDR	Yes	Reconcile Bank Account
Northumberland	GDC	No	
Northumberland	JDR	No	
Nottoway	CDC	No	
Orange	GDC	Yes	Properly Bill and Collect Court Costs
Orange	JDR	No	
Page	GDC	Yes	Properly Bill and Collect Court Costs
Page*	JDR	No	
Patrick	GDC	No	
Patrick	JDR	No	
Petersburg	GDC	No	
Petersburg	JDR	No	
Pittsylvania	GDC	No	
Pittsylvania	JDR	Yes	Properly Bill and Collect Court Costs
Portsmouth	GDC	No	
Portsmouth	JDR	No	
Powhatan	CDC	No	
Prince Edward*	GDC	No	
Prince Edward	JDR	No	
Prince George	CDC	Yes	Update Individual Account Status Properly Bill and Collect Court Costs
Prince William	GDC	Yes	Properly Bill and Collect Court Fines and Costs

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### SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Prince William	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Pulaski	GDC	No	
Pulaski	JDR	No	
Radford*	CDC	No	
Rappahannock*	CDC	No	
Richmond (Civil)	GDC	No	
Richmond (Crim/Traffic)	GDC	Yes	Request Tax Set-Off Refunds Properly Bill and Collect Court Costs
Richmond (Manchester Crim/Traffic)	GDC	No	
Richmond	JDR	Yes	Reconcile Bank Account
Richmond County	CDC	No	
Roanoke	GDC	No	
Roanoke	JDR	No	
Roanoke County	GDC	No	
Roanoke County	JDR	No	
Rockbridge	GDC	No	
Rockbridge	JDR	Yes	Properly Review General Ledger
Rockingham	GDC	No	
Rockingham	JDR	No	
Russell*	CDC	No	
Salem	CDC	No	
Scott*	CDC	No	
Shenandoah	GDC	No	
Shenandoah	JDR	No	
Smyth	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Smyth*	JDR	No	
Southampton*	CDC	No	
Spotsylvania	GDC	No	
Spotsylvania	JDR	No	
Stafford	GDC	No	
Stafford	JDR	Yes	Properly Bill and Collect Court Costs
Staunton*	GDC	No	
Staunton*	JDR	Yes	Request and Allocate Tax Set-Off Refunds
Suffolk	GDC	Yes	Request Tax Set-Off Refunds

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Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Suffolk*	JDR	No	
Surry	CDC	No	
Sussex	CDC	No	
Tazewell*	GDC	No	
Tazewell	JDR	No	
Virginia Beach	GDC	No	
Virginia Beach	JDR	Yes	Properly Bill and Collect Court Costs
Warren	GDC	No	
Warren	JDR	No	
Washington	GDC	Yes	Retain Voided Receipts Properly Bill and Collect Court Fines and Costs
Washington	JDR	No	
Waynesboro*	GDC	No	
Waynesboro	JDR	No	
Westmoreland	GDC	No	
Westmoreland	JDR	Yes	Promptly Disburse Liabilities
Winchester	GDC	No	
Winchester*	JDR	No	
Wise/Norton	GDC	No	
Wise/Norton*	JDR	No	
Wythe	GDC	No	
Wythe	JDR	No	
York	GDC	No	
York	JDR	No	

\*Limited Control Review Performed