



VIRGINIA DISTRICT COURT SYSTEM

STATEWIDE REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2021

Auditor of Public Accounts
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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, 2021. Our audits resulted in findings in 58 courts, some of which had multiple findings. This is an increase from 49 courts with findings in the prior year. 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 requirements for tax set-off, unclaimed property, bond forfeiture, and local and state revenue remittance. We also noted internal control weaknesses in accounting areas such as improper record retention, delayed bank deposits, lack of bank reconciliation, inadequate review of internal reports, improper monitoring and disbursement of liabilities, and improper management of system access. Twenty-one of the District Court audits had repeat findings compared to 12 courts with repeat findings in the prior year. 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 \$101,100, locality revenue losses of approximately \$9,000, courts overcharging defendants by approximately \$9,200, and tax set-off losses of \$32,100.

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Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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October 25, 2022

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

The Honorable S. Bernard Goodwyn
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, 2021. 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 and locality collections, established adequate 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.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

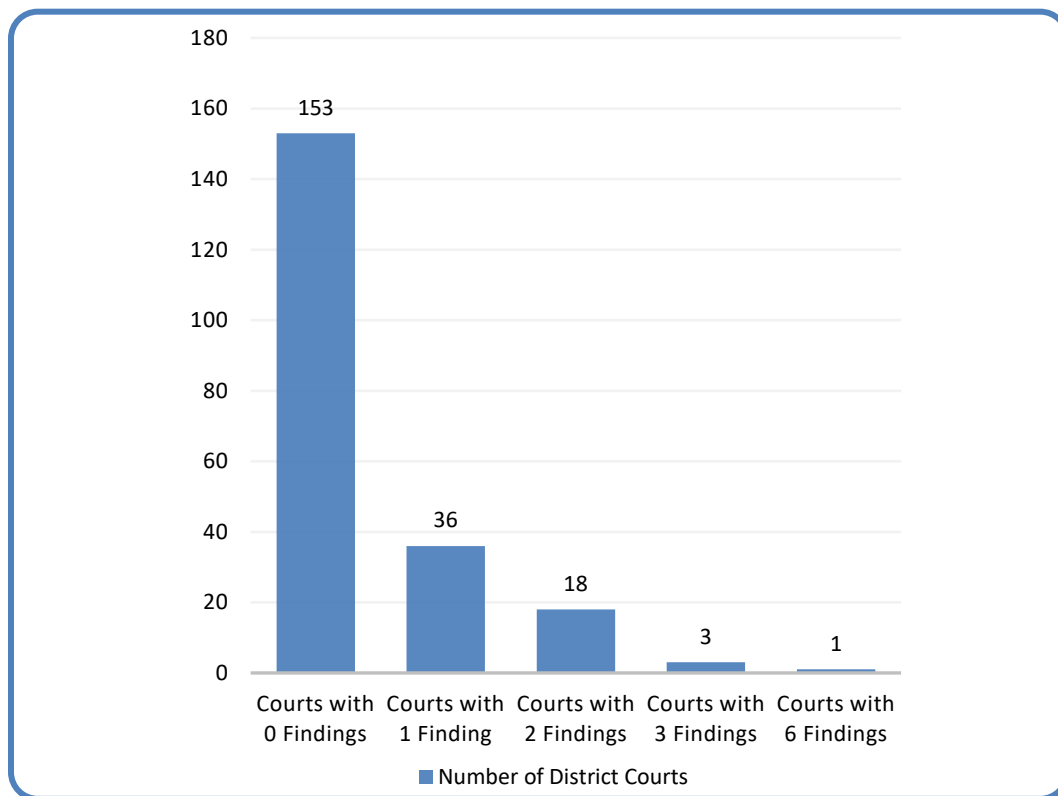
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INTERNAL CONTROL AND COMPLIANCE FINDINGS SUMMARY

For the year ended June 30, 2021, we completed 211 District Court audits, 114 of which were comprehensive audits and 97 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 58 courts, some with multiple findings including six in Fauquier GDC. This is an increase from 49 courts with findings in the prior year.

District Court Audit Results

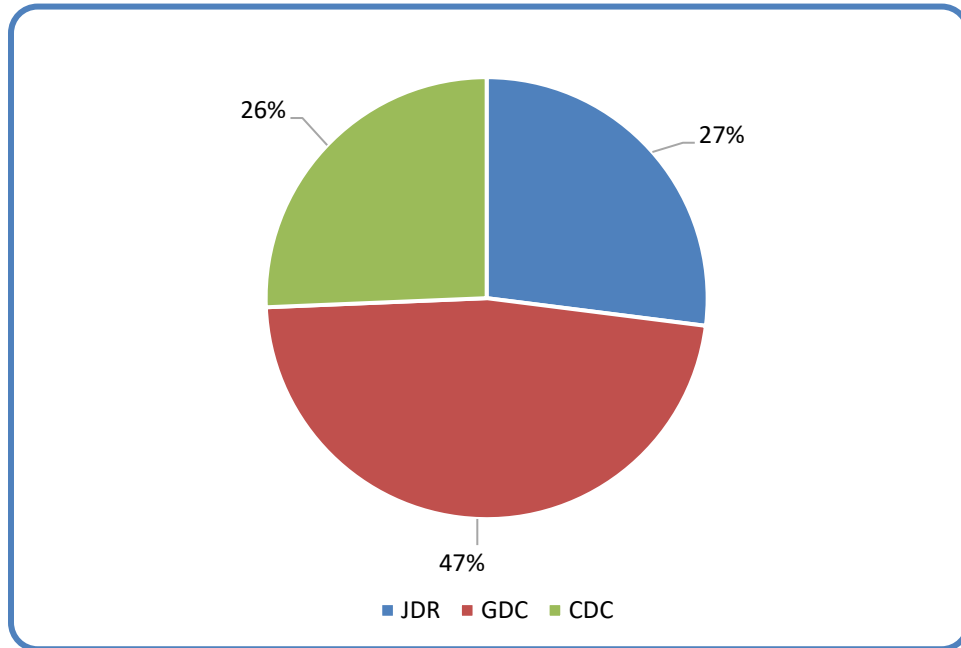
Chart 1



Our analysis of the cumulative results of the audits identified several recurring trends across the Commonwealth. Of the 87 management recommendations made, 56 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 \$101,100, locality revenue losses of approximately \$9,000, and courts overcharging defendants by approximately \$9,200. Chart 2 below shows the distribution of the potential loss of state revenue by court type.

Potential Loss of State Revenue by Court Type

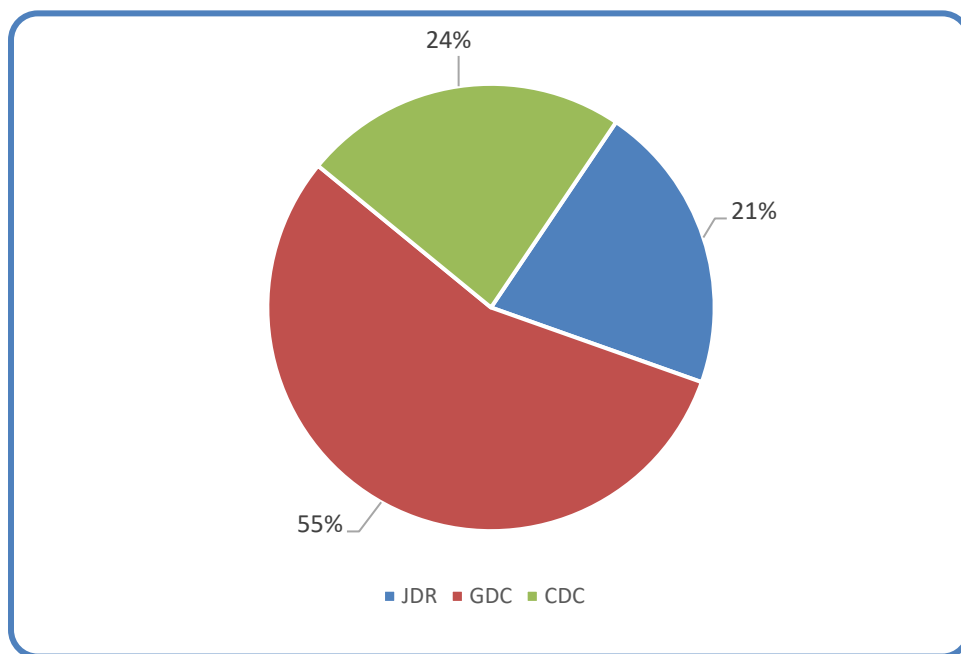
Chart 2



An additional ten findings (12%) identified possible tax set-off (TSO) losses of \$32,100. Chart 3 below shows the distribution of potential tax set-off losses by court type.

Potential Tax Set-Off Losses by Court Type

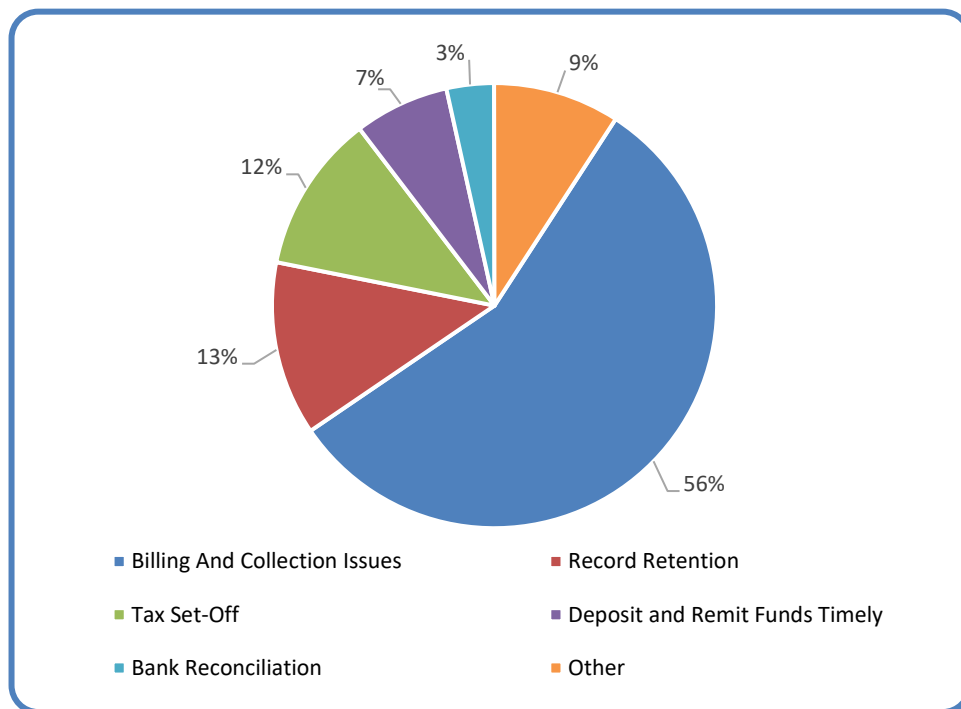
Chart 3



In addition to issues with billing and collection and tax set-off, as shown in Chart 4 below, internal control weaknesses and compliance issues noted in other accounting areas include improper record retention, timely deposit and remittance of funds, and lack of bank reconciliations. The finding areas have remained fairly consistent with the prior year. A complete list of findings is included in the [Appendix](#) to this report.

Finding Areas

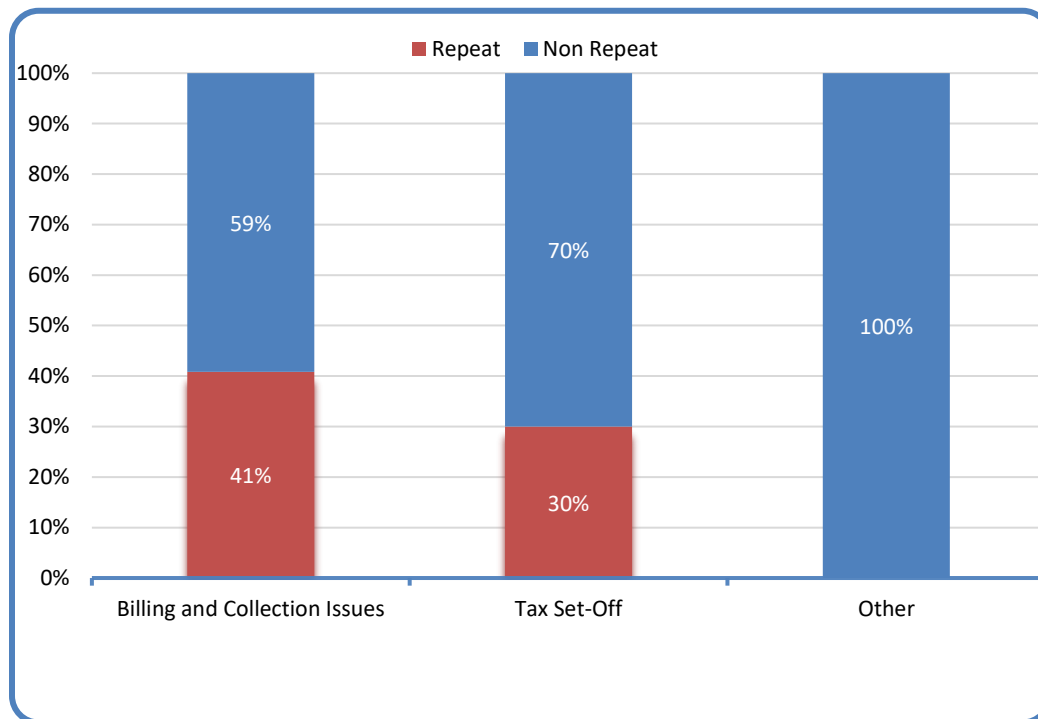
Chart 4



Twenty-one of the District Court audits had repeat findings compared to 12 courts with repeat findings in the prior year. 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



SUMMARY OF DISTRICT COURT RESULTS

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Accomack	GDC	Yes	Properly Bill and Collect Court Costs
Accomack*	JDR	No	
Albemarle*	GDC	No	
Albemarle*	JDR	No	
Alexandria	GDC	No	
Alexandria	JDR	No	
Alleghany	CDC	Yes	Properly Bill and Collect Court Fines and Costs
Amelia*	CDC	No	
Amherst*	GDC	No	
Amherst*	JDR	No	
Appomattox	GDC	No	
Appomattox*	JDR	No	
Arlington	GDC	Yes	Promptly Forfeit Cash Bonds, Properly Bill and Collect Court Fines and Costs***, Retain Voided Receipts
Arlington	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Augusta	GDC	Yes	Escheat Unclaimed Properly
Augusta	JDR	Yes	Request and Allocate TSO Refunds, Properly Bill and Collect Court Fines and Costs
Bath*	CDC	No	
Bedford*	GDC	No	
Bedford*	JDR	No	
Bland	CDC	No	
Botetourt	GDC	Yes	Properly Bill and Collect Court Costs
Botetourt	JDR	Yes	Properly Bill and Collect Fines and Costs
Bristol	GDC	No	
Bristol	JDR	No	
Brunswick*	CDC	No	
Buchanan	CDC	No	
Buckingham	CDC	Yes	Promptly Allocate TSO Revenues
Buena Vista *	CDC	No	
Campbell*	GDC	No	
Campbell	JDR	N/A	Not Audited for Fiscal Year 2021**
Caroline	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Caroline	JDR	No	
Carroll*	GDC	No	
Carroll	JDR	No	
Charles City*	CDC	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Charlotte	GDC	Yes	Properly Bill and Collect Court Fines and Costs, Request TSO Refunds, Retain Voided Receipts
Charlotte	JDR	No	
Charlottesville*	GDC	No	
Charlottesville	JDR	Yes	Properly Bill and Collect Court Costs
Chesapeake	GDC	Yes	Properly Bill and Collect Court Costs***, Reconcile Bank Account
Chesapeake	JDR	No	
Chesterfield	GDC	No	
Chesterfield	JDR	No	
Clarke	GDC	No	
Clarke	JDR	No	
Colonial Heights	GDC	Yes	Promptly Deposit Collections, Retain Voided Receipts
Colonial Heights	JDR	No	
Craig	CDC	Yes	Properly Bill and Collect Court Costs
Culpeper*	GDC	No	
Culpeper*	JDR	No	
Cumberland	CDC	No	
Danville	GDC	No	
Danville*	JDR	Yes	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	No	
Fairfax County*	GDC	No	
Fairfax County	JDR	Yes	Request TSO Refunds, Properly Bill, and Collect Court Costs
Falls Church	CDC	Yes	Properly Bill and Collect Court Fines and Costs
Fauquier	GDC	Yes	Properly Bill and Collect Court Fines and Costs, Establish Billing Procedures, Promptly Deposit Collections, Reconcile Bank Account, Request TSO Refunds, Retain Court Records
Fauquier	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Floyd	CDC	Yes	Properly Bill and Collect Court Costs
Fluvanna*	CDC	No	
Franklin	CDC	Yes	Properly Bill and Collect Court Costs
Franklin County	GDC	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Franklin County*	JDR	Yes	Monitor and Disburse Liabilities, 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 Manage System Access
Gloucester	JDR	No	
Goochland	CDC	Yes	Properly Bill and Collect Court Costs
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	Yes	Retain Financial Records, Properly Bill and Collect Court Fines and Costs
Hampton*	JDR	No	
Hanover	GDC	No	
Hanover*	JDR	No	
Henrico	GDC	Yes	Reconcile Bank Account Timely
Henrico*	JDR	No	
Henry	GDC	Yes	Properly Bill and Collect Court Costs, Retain Voided Receipts
Henry	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Highland*	CDC	No	
Hopewell	CDC	No	
Isle Of Wight	GDC	Yes	Properly Bill and Collect Court Fines and Costs, Promptly Allocate TSO Revenues
Isle Of Wight	JDR	No	
James City / Williamsburg*	GDC	Yes	Review General Ledger
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	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Lancaster*	GDC	No	
Lancaster*	JDR	No	
Lee*	GDC	No	
Lee*	JDR	No	
Loudoun*	GDC	No	
Loudoun	JDR	Yes	Properly Bill and Collect Court Fines and Costs, Promptly Deposit Collections, Maintain Accounting Records
Louisa*	GDC	No	
Louisa	JDR	Yes	Properly Bill Court-Appointed Attorney Fees
Lunenburg*	CDC	No	
Lynchburg	GDC	Yes	Properly Bill and Collect Court Costs, Properly Review Liabilities Report
Lynchburg	JDR	Yes	Properly Bill and Collect Court Fines and Costs, Retain Voided Receipts
Madison*	CDC	No	
Martinsville	GDC	Yes	Properly Bill and Collect Court Costs, Retain Voided Receipts
Martinsville	JDR	No	
Mathews	GDC	No	
Mathews	JDR	No	
Mecklenburg	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Mecklenburg	JDR	Yes	Properly Bill and Collect Court Costs
Middlesex	GDC	No	
Middlesex	JDR	No	
Montgomery*	GDC	No	
Montgomery	JDR	No	
Nelson*	GDC	No	
Nelson	JDR	No	
New Kent	GDC	No	
New Kent	JDR	No	
Newport News - Civil*	GDC	No	
Newport News - Criminal*	GDC	No	
Newport News - Traffic*	GDC	No	
Newport News	JDR	Yes	Properly Bill and Collect Court Costs
Norfolk*	GDC	No	
Norfolk	JDR	No	
Northampton*	GDC	No	
Northampton	JDR	Yes	Properly Bill and Collect Court Costs

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Northumberland*	GDC	No	
Northumberland*	JDR	No	
Nottoway*	CDC	No	
Orange	GDC	No	
Orange*	JDR	No	
Page	GDC	No	
Page	JDR	Yes	Properly Bill and Collect Court Costs
Patrick*	GDC	No	
Patrick*	JDR	No	
Petersburg*	GDC	No	
Petersburg*	JDR	No	
Pittsylvania	GDC	No	
Pittsylvania	JDR	Yes	Properly Bill and Collect Court Costs, Promptly Allocate Refunds
Portsmouth*	GDC	No	
Portsmouth*	JDR	No	
Powhatan	CDC	No	
Prince Edward	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Prince Edward*	JDR	No	
Prince George	CDC	Yes	Request TSO Refunds
Prince William	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Prince William	JDR	Yes	Escheat Unclaimed Properly
Pulaski*	GDC	No	
Pulaski*	JDR	No	
Radford	CDC	No	
Rappahannock*	CDC	No	
Richmond - Civil	GDC	No	
Richmond (Crim/Traffic)	GDC	Yes	Request TSO Refunds, Properly Bill and Collect Court Fines and Costs
Richmond (Manchester Crim/Traffic)	GDC	Yes	Promptly Deposit Collections, Properly Bill and Collect Court Fines and Costs
Richmond	JDR	Yes	Retain Voided Receipts
Richmond County*	CDC	No	
Roanoke City*	GDC	No	
Roanoke City*	JDR	No	
Roanoke County*	GDC	No	
Roanoke County*	JDR	No	
Rockbridge*	GDC	No	
Rockbridge	JDR	Yes	Properly Bill and Collect Court Costs

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Rockingham*	GDC	No	
Rockingham*	JDR	No	
Russell	CDC	No	
Salem*	CDC	No	
Scott	CDC	No	
Shenandoah*	GDC	No	
Shenandoah*	JDR	No	
Smyth	GDC	No	
Smyth	JDR	No	
Southampton	CDC	No	
Spotsylvania	GDC	No	
Spotsylvania*	JDR	No	
Stafford*	GDC	No	
Stafford	JDR	Yes	Properly Bill and Collect Court Costs, Request TSO Refunds
Staunton	GDC	No	
Staunton	JDR	Yes	Properly Bill and Collect Court Costs
Suffolk	GDC	Yes	Properly Bill and Collect Court Costs, Retain Voided Receipts
Suffolk	JDR	Yes	Properly Bill and Collect Court Costs
Surry*	CDC	No	
Sussex*	CDC	No	
Tazewell	GDC	No	
Tazewell	JDR	No	
Virginia Beach*	GDC	No	
Virginia Beach*	JDR	No	
Warren*	GDC	No	
Warren*	JDR	No	
Washington	GDC	Yes	Review General Ledger, Properly Bill and Collect Court Costs
Washington*	JDR	No	
Waynesboro	GDC	No	
Waynesboro*	JDR	No	
Westmoreland*	GDC	No	
Westmoreland	JDR	Yes	Promptly Remit Local Revenue, Promptly Deposit Collections
Winchester*	GDC	No	
Winchester	JDR	No	
Wise/Norton*	GDC	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Wise/Norton	JDR	No	
Wythe*	GDC	No	
Wythe*	JDR	No	
York*	GDC	No	
York*	JDR	No	

*Limited Control Review Performed

**We were unable to gain access to court records in order to perform the audit due to an ongoing criminal investigation.

***The title of the finding was different in the prior year; however, the nature of the finding is the same.