



Commonwealth of Virginia

Auditor of Public Accounts

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Auditor of Public Accounts

P.O. Box 1295
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August 28, 2026

The Honorable Bradley Dalton
Chief Judge
County of Pulaski Juvenile and Domestic Relations District Court

Review Period: July 1, 2024, through June 30, 2025
Court System: County of Pulaski
Judicial District: Twenty-seventh

We have reviewed the financial operations for the Juvenile and Domestic Relations District Court Clerk's office for the County of Pulaski for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate and test the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

Annually, we use a risk-based approach to perform either a comprehensive or limited control review for each of the Commonwealth's district courts. A comprehensive review involves procedures designed to review, in detail, areas such as receipts, disbursements, system access security, accounts receivable, and liability management. A limited control review involves the evaluation of the Clerk's responses to an internal control questionnaire; general ledger, system access, and reconciliation review; evaluation of significant variances in collections from the prior year; and some limited procedures related to the assessment of fines and collection of receivables. We perform limited control reviews on courts that we consider to be low risk based on the results of previous reviews and an overall assessment of the individual court environment, with no more than two consecutive limited control reviews in a three-year period. For this locality, we performed a comprehensive review for the year ended June 30, 2025.

Management is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial information, effectiveness and efficiency of financial operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could lead to noncompliance with laws and regulations, the loss of assets or revenues, or

otherwise compromise the Clerk's fiscal accountability. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

We noted the following matters involving internal control and its operation that has led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Reconcile Bank Account

Repeat: No

The Clerk has not reconciled the court's bank account since May 2025. 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 immediately reconcile the court's bank account and, going forward, should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

Properly Assess and Bill Court Costs

Repeat: No

The Clerk and the Clerk's staff did not properly assess and bill court costs. In 14 of 28 (50%) cases tested, we noted the following errors.

- The Clerk did not charge defendants in three cases a total of \$1,937 in court costs.
- In 11 cases, the Clerk overcharged defendants a total of \$1,589 in court costs.

The amounts above are based on actual errors noted within our sample of court transactions, the impact of which we did not project to all transactions of the court. The Clerk and the Clerk's staff should correct the specific cases noted above, seek additional training in the assessment and billing of court costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should assess and bill court costs in accordance with the Code of Virginia.

Promptly Allocate Tax Set-Off Revenues

Repeat: No

The Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding \$999 in tax refunds that she should have allocated to defendants' accounts two months before. Courts recover some delinquent fines and costs through the Department of Taxation Set-Off Collection Program. Upon receipt, clerks record tax set-off collections in one general ledger account. The clerks must then credit the defendants' individual accounts before the Commonwealth

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and locality can recognize the revenues and ensure appropriate collection activity and interest accrual. The Clerk should allocate the amount noted during the audit and, going forward, should allocate tax setoff collections immediately upon receipt.

Monitor and Disburse Liabilities

Repeat: No

The Clerk did not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$137 in liabilities that she should have either paid or escheated. The Clerk should review all liabilities she is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owners of the funds, the Clerk should escheat the funds as required by § 55.1-2518 and § 55.1-2524 of the Code of Virginia. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide.

The Clerk has taken corrective action to remediate the finding that we communicated in our previous report. We acknowledge the cooperation extended to us by the Clerk and the Clerk's staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

cc: The Honorable Monica Cox, Judge
The Honorable Howard Chitwood, Judge
Amanda Blair, Clerk
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia