



# Commonwealth of Virginia

## Auditor of Public Accounts

Staci A. Henshaw, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

July 17, 2024

The Honorable Michael S. Stein  
Chief Judge  
City of Newport News General District Court

Audit Period: July 1, 2022, through June 30, 2023  
Court System: City of Newport News  
Judicial District: Seventh

We are performing a statewide audit of the 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, we noted the following matters requiring management's attention and corrective action.

### **Remit State Collections Timely**

**Repeat:** No

The former Clerk did not remit state collections timely. During the audit period, the former clerk made 22 remittances late, with delays of up to 16 days. Section 2.2-806 of the Code of Virginia requires clerks to remit state collections weekly or twice each week when collections exceed \$5,000. The current Clerk should remit state funds as required by the Code of Virginia.

### **Request Tax Set-Off Refunds**

**Repeat:** No

The former Clerk did not submit 90 claims to the Virginia Department of Taxation (Taxation) for tax set-off of refunds for delinquent court fines and costs totaling \$56,446, resulting in a loss of revenue to the Commonwealth and locality. Section 58.1-521 of the Code of Virginia requires that all courts use the tax set-off program to collect unpaid fines and costs. Courts must submit claims for set-off of tax refunds through Taxation's automated accounting system. The current Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

**Promptly Allocate Tax Set-Off Revenues**

**Repeat:** No

The former Clerk did not allocate tax set-off collections of \$4,020 to defendants' accounts for up to 17 months after receipt. Courts recover some delinquent fines and costs through Taxation's Tax 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 and locality can recognize the revenues and to ensure appropriate collection activity and interest accrual. The current Clerk should allocate the amount noted during the audit and, going forward, should allocate tax set-off collections immediately upon receipt.

The former Clerk has taken corrective action to remediate the internal control findings that we reported in the previous audit.

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

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable Robert G. Saunders, Judge  
The Honorable Charisse Mullen, Judge  
The Honorable Rian Elizabeth Lewis, Judge  
Danielle Trotman, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia