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Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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November 15, 2023

The Honorable Nicole A. Belote
Chief Judge
County of Isle of Wight General District Court

Audit Period: July 1, 2022, through June 30, 2023
Court System: County of Isle of Wight
Judicial District: Fifth

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.

Properly Bill and Collect Court Costs

Repeat: Yes (first issued in fiscal year 2021)

The former Clerk and her staff did not properly bill and collect court costs. In seven of 57 cases tested (12%), we noted the following errors:

- In two cases, the former Clerk miscoded in the financial system costs of \$150 as local instead of Commonwealth.
- The former Clerk did not charge defendants in five cases a total of \$2,645 in court costs.

The current Clerk and her staff should correct the specific cases noted above, seek additional training in the billing and collection of court costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court fines and costs in accordance with the Code of Virginia.

Promptly Allocate Tax Set-Off Revenues

Repeat: Yes (first issued in fiscal year 2021)

The former Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the former Clerk was holding \$386 in tax refunds that should have been allocated to defendants' accounts over two years ago. 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 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.

Retain Voided Receipts

Repeat: No

For three of four voided receipts tested (75%), the former Clerk did not retain all copies of the receipt. Clerks must monitor and control voided transactions closely as these transactions pose an increased risk for fraudulent activity. The current Clerk should not void receipts without maintaining all copies of the receipt and should ensure staff are properly trained to perform appropriate journal entries rather than unnecessarily voiding receipts.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior report that is not repeated in this letter.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LH: clj

cc: The Honorable Alfred W. Bates, III, Judge
The Honorable Helivi L. Holland, Judge
Shay Woodley, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia