



VIRGINIA DISTRICT COURT SYSTEM

REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. Our audits resulted in findings in 41 courts, some of which had multiple findings. The most common finding was related to the proper billing and collection of court fines, costs, and fees. Other findings were related to responding to tax set-off notifications and control weaknesses noted in accounting areas such as the lack of bank reconciliations, improper record retention, and inadequate reviews of internal reports. Repeat findings were noted in 21 of the District Court audits. One of the courts, Lynchburg General District Court, has received the same finding since fiscal year 2012.

The potential financial impact of these findings are state revenue losses of approximately \$50,500, locality revenue losses of approximately \$2,700, defendants being overcharged approximately \$18,500, and tax set-off losses of nearly \$5,000.

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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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September 29, 2020

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 the statewide **Report on the District Court System** for the fiscal year ended June 30, 2019. 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.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

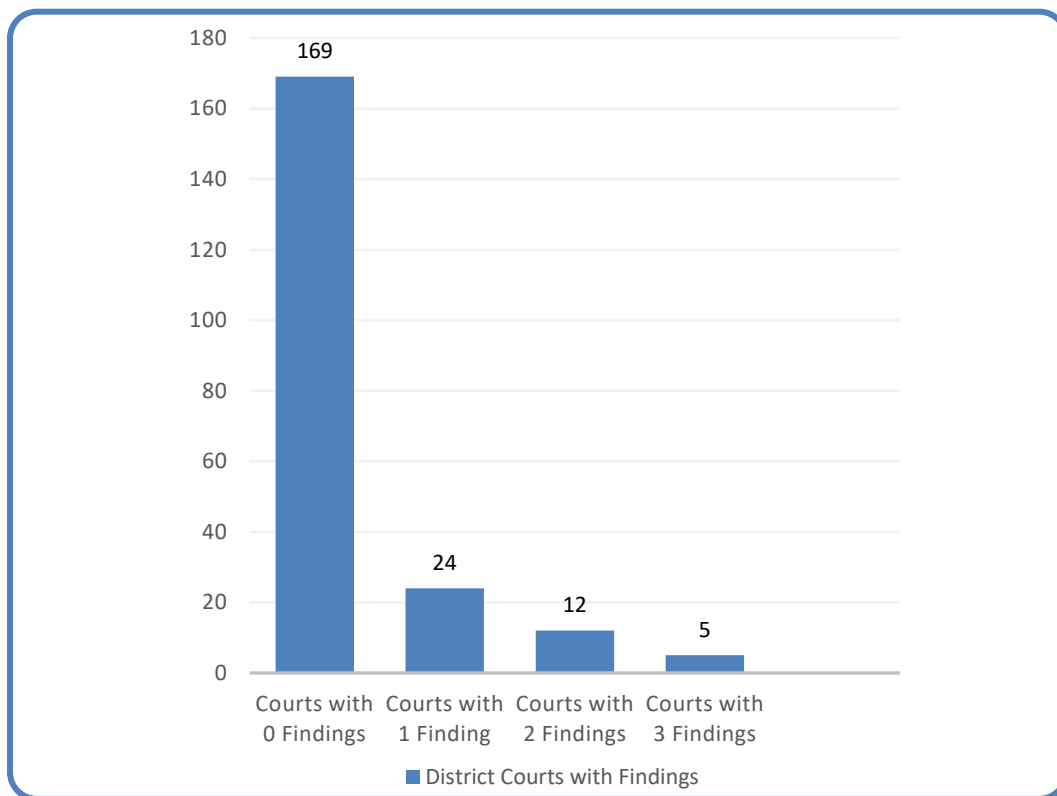
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INTERNAL CONTROL AND COMPLIANCE FINDINGS

For the year ended June 30, 2019, we completed 210 District Court audits, 81 of which were comprehensive audits and 129 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, the District Court audits identified findings in 41 courts, some with multiple findings including three in Clarke GDC, Henrico JDR, Loudoun JDR, Norfolk GDC, and Washington JDR.

District Court Audit Results

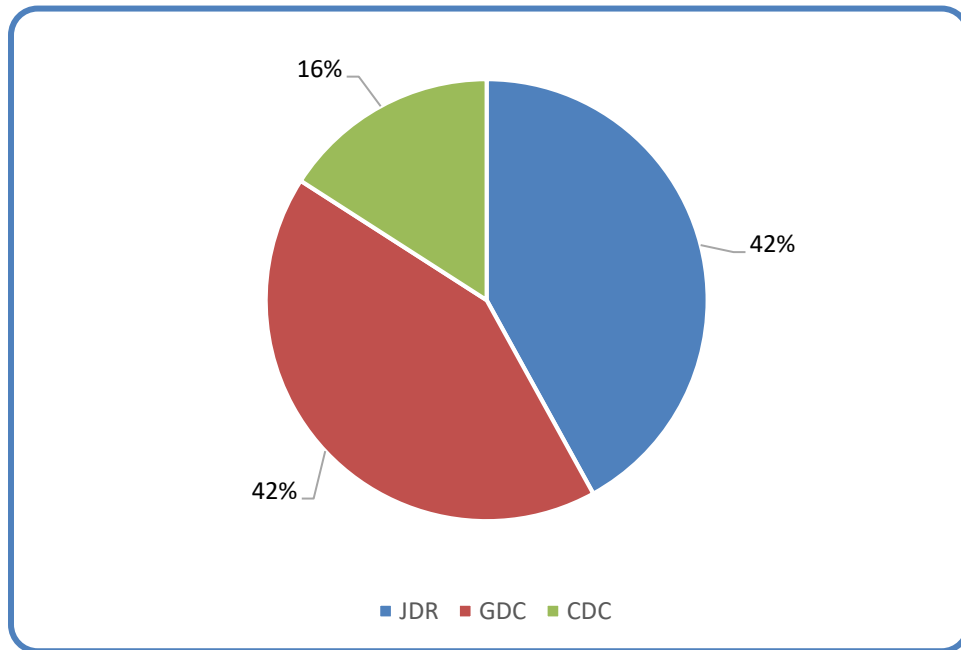
Chart 1



Our analysis of the cumulative results of the audits identified several recurring trends across the Commonwealth. Of the 63 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 \$50,500, locality revenue losses of approximately \$2,700, and defendants being overcharged approximately \$18,500. Chart 2 below shows the distribution of the potential loss of state revenue by court type.

Potential Loss of State Revenue by Court Type

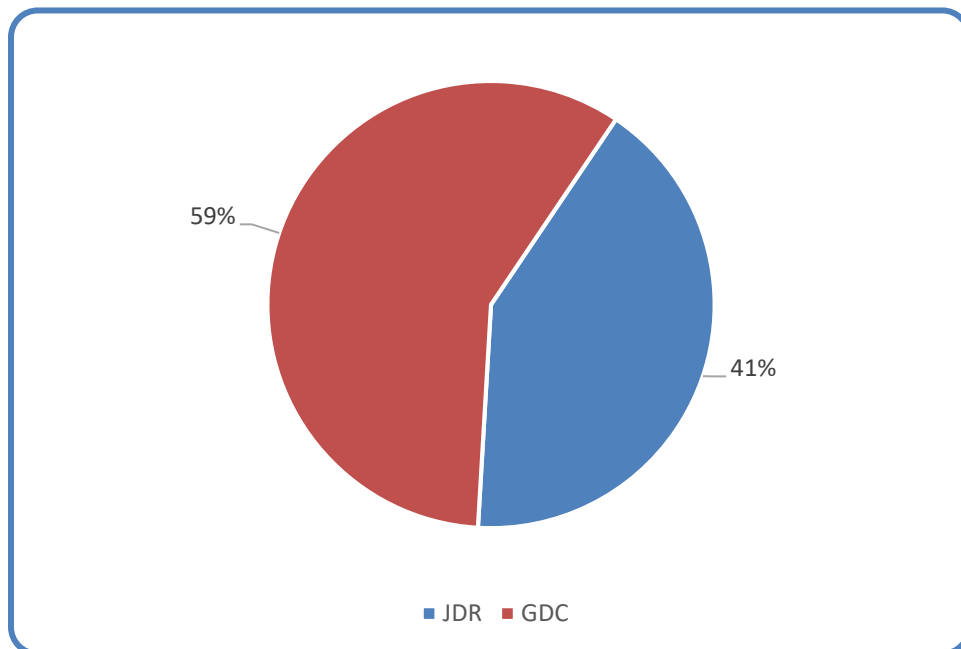
Chart 2



An additional five findings (8%) identified possible tax set-off losses of almost \$5,000. Chart 3 below shows the distribution of potential tax set-off losses by court type.

Potential Tax Set-Off Losses by Courts Type

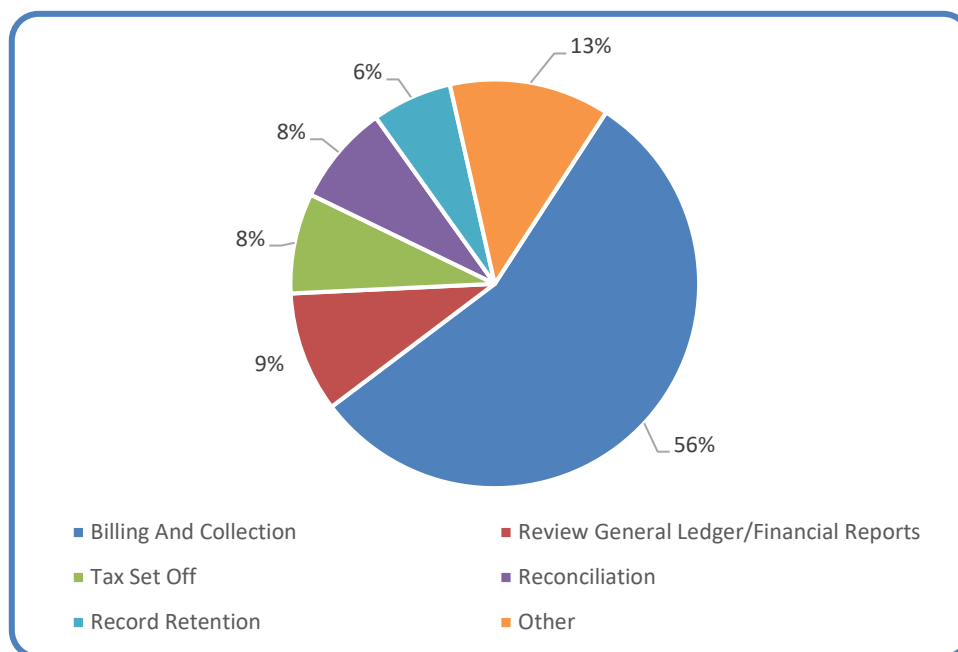
Chart 3



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, and inadequate reviews of internal reports. As a result of these weaknesses, we made the following recommendations to the individual courts: Improve Procedures Over Receipting Errors, Properly Complete Manual Receipts, Properly Review General Ledger, Transfer Excess Credit Card Fees, Improve Accounts Receivable Management, Reconcile Bank Account, Retain Financial Records, Publicly Post Payment Plan Policy, Retain Voided Receipts, Receipt Funds Timely, Properly Monitor Financial Reports and Resolve Errors, and Review Daily Financial Reports.

Areas of Concern

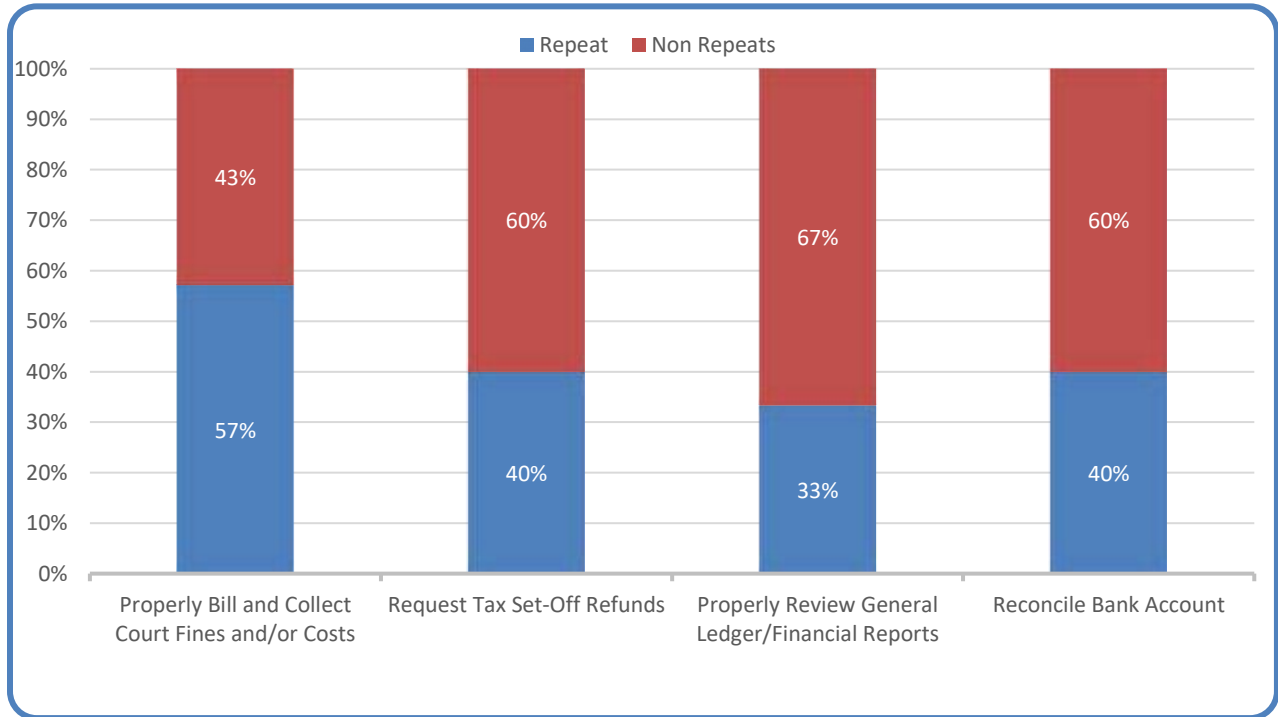
Chart 4



Repeat findings were noted in 21 of the District Court audits. One of the courts, Lynchburg GDC, has received the same finding since fiscal year 2012. 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 | No | |
| Accomack | JDR | Yes | Improve Procedures Over Receipting Errors Properly Bill and Collect Court Fines and Costs |
| Albemarle | GDC | Yes | Properly Complete Manual Receipts |
| Albemarle | JDR | No | |
| Alexandria* | GDC | No | |
| Alexandria* | JDR | No | |
| Alleghany* | CDC | No | |
| Amelia* | CDC | No | |
| Amherst* | GDC | No | |
| Amherst* | JDR | Yes | Properly Review General Ledger |
| Appomattox* | GDC | No | |
| Appomattox | JDR | No | |
| Arlington* | GDC | No | |
| Arlington | JDR | Yes | Properly Bill and Collect Court Costs |
| Augusta* | GDC | No | |
| Augusta | JDR | No | |
| Bath | CDC | No | |
| Bedford | GDC | Yes | Properly Bill and Collect Court Costs Transfer Excess Credit Card Fees |
| Bedford | JDR | No | |
| Bland* | CDC | No | |
| Botetourt | CDC | Yes | Improve Accounts Receivable Management |
| Bristol* | GDC | No | |
| Bristol* | JDR | No | |
| Brunswick | CDC | Yes | Properly Bill and Collect Fines and Costs |
| Buchanan* | CDC | No | |
| Buckingham* | CDC | No | |
| Buena Vista | CDC | No | |
| Campbell | GDC | No | |
| Campbell | JDR | Yes | Reconcile Bank Account Properly Bill and Collect Court Fines and Costs |
| Caroline | GDC | No | |

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SUMMARY OF DISTRICT COURT RESULTS

| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|-------------------|------------|----------------------------|--|
| Caroline* | JDR | No | |
| Carroll* | GDC | No | |
| Carroll* | JDR | No | |
| Charles City* | CDC | No | |
| Charlotte* | GDC | No | |
| Charlotte | JDR | Yes | Properly Review General Ledger Properly Bill and Collect Court Costs |
| Charlottesville | GDC | No | |
| Charlottesville* | JDR | No | |
| Chesapeake* | GDC | Yes | Retain Financial Records |
| Chesapeake | JDR | Yes | Properly Bill and Collect Court Costs |
| Chesterfield* | GDC | No | |
| Chesterfield* | JDR | No | |
| Clarke | GDC | Yes | Transfer Excess Credit Card Fees 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 | No | |
| Danville* | GDC | No | |
| Danville | JDR | Yes | Properly Bill and Collect Court Fines and Costs |
| Dickenson | CDC | No | |
| Dinwiddie* | CDC | No | |
| Emporia* | CDC | No | |
| Essex* | CDC | No | |
| Fairfax City* | GDC | No | |
| Fairfax County | GDC | No | |
| Fairfax County | JDR | No | |
| Falls Church | CDC | No | |
| Fauquier* | GDC | No | |

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SUMMARY OF DISTRICT COURT RESULTS

| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|------------------|------------|----------------------------|---|
| Fauquier* | JDR | No | |
| Floyd* | CDC | No | |
| Fluvanna* | CDC | No | |
| Franklin | CDC | No | |
| Franklin County* | GDC | No | |
| Franklin County | JDR | Yes | Properly Bill and Collect Court Fines and Costs |
| Frederick* | GDC | No | |
| Frederick | JDR | Yes | Properly Bill and Collect Court Costs |
| Fredericksburg* | GDC | No | |
| Fredericksburg* | JDR | No | |
| Galax* | CDC | No | |
| Giles* | GDC | No | |
| Giles* | JDR | No | |
| Gloucester* | GDC | No | |
| Gloucester* | JDR | No | |
| Goochland* | CDC | No | |
| Grayson | CDC | No | |
| Greene | CDC | No | |
| Greensville* | CDC | No | |
| Halifax* | GDC | No | |
| Halifax* | JDR | No | |
| Hampton* | GDC | No | |
| Hampton | JDR | Yes | Properly Bill and Collect Court Costs |
| Hanover | GDC | Yes | Properly Review General Ledger Retain Voided Receipts |
| Hanover | JDR | No | |
| Henrico | GDC | No | |
| Henrico | JDR | Yes | Reconcile Bank Account Retain Voided Receipts Properly Bill and Collect Court Fines and Costs |
| Henry* | GDC | No | |
| Henry* | JDR | No | |
| Highland* | CDC | No | |

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| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|----------------------------|------------|----------------------------|--|
| Hopewell* | CDC | No | |
| Isle of Wight | GDC | No | |
| 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 | Properly Bill and Collect Court Fines and Costs Retain Voided Receipts Request Tax Set-Off Refunds |
| Louisa* | GDC | No | |
| Louisa* | JDR | No | |
| Lunenburg | CDC | No | |
| Lynchburg | GDC | Yes | Properly Bill and Collect Court Costs |
| Lynchburg | JDR | Yes | Properly Bill and Collect Court Costs Reconcile Bank Account |
| Madison | CDC | No | |
| Martinsville* | GDC | No | |
| Martinsville * | JDR | No | |
| Mathews | GDC | Yes | Properly Bill and Collect Court Fines and Costs |
| Mathews* | JDR | No | |
| Mecklenburg* | GDC | No | |
| Mecklenburg* | JDR | No | |
| Middlesex | GDC | Yes | Properly Bill and Collect Court Fines and Costs |
| Middlesex* | JDR | No | |

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| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|--------------------------|------------|----------------------------|--|
| 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 | No | |
| Norfolk | GDC | Yes | Bill Locality for Attorney Fees Properly Assess DNA Fees Properly Bill and Collect Court Fines and Costs |
| Norfolk* | JDR | No | |
| Northampton* | GDC | No | |
| Northampton | JDR | Yes | Properly Bill and Collect Court Costs |
| Northumberland* | GDC | No | |
| Northumberland* | JDR | No | |
| Nottoway* | CDC | No | |
| Orange* | GDC | Yes | Request Tax Set-Off Refunds |
| Orange* | JDR | No | |
| Page* | GDC | No | |
| 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 Fines and Costs |
| Portsmouth | GDC | Yes | Properly Bill and Collect Court Costs Receipt Funds Timely |
| Portsmouth | JDR | No | |
| Powhatan* | CDC | No | |
| Prince Edward* | CDC | No | |

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| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|--|------------|----------------------------|---|
| Prince George | CDC | Yes | Properly Review General Ledger Properly Bill and Collect Court Costs |
| Prince William | GDC | Yes | Properly Bill and Collect Court Fines and Costs |
| Prince William | JDR | Yes | Bill Locality for Attorney Fees |
| Pulaski* | GDC | No | |
| Pulaski* | JDR | No | |
| Radford* | CDC | No | |
| Rappahannock | CDC | No | |
| Richmond (Civil)* | GDC | No | |
| Richmond (Crim/Traffic) | GDC | No | |
| Richmond (Manchester Crim/Traffic)* | GDC | No | |
| Richmond | JDR | No | |
| Richmond County* | CDC | No | |
| Roanoke | GDC | No | |
| Roanoke | JDR | No | |
| Roanoke County | GDC | No | |
| Roanoke County* | JDR | No | |
| Rockbridge | GDC | Yes | Properly Monitor Financial Reports and Resolve Errors |
| Rockbridge* | JDR | No | |
| Rockingham* | GDC | No | |
| Rockingham | JDR | Yes | Request Tax Set-Off Refunds Properly Bill and Collect Court Fines and Costs |
| 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 | Yes | Bill Locality for Attorney Costs |

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| Locality | Court Type | Audit Findings (Yes/No) | Finding Area (Repeats in Red) |
|-----------------|------------|----------------------------|---|
| Stafford | GDC | No | |
| Stafford* | JDR | No | |
| Staunton* | GDC | No | |
| Staunton | JDR | No | |
| Suffolk | GDC | Yes | Properly Bill and Collect Court Costs Reconcile Bank Account |
| Suffolk* | JDR | No | |
| Surry | CDC | No | |
| Sussex | CDC | Yes | Properly Bill and Collect Court Costs |
| Tazewell | GDC | No | |
| Tazewell* | JDR | No | |
| Virginia Beach* | GDC | No | |
| Virginia Beach | JDR | No | |
| Warren | GDC | Yes | Properly Bill and Collect Court Costs |
| Warren* | JDR | No | |
| Washington* | GDC | No | |
| Washington | JDR | Yes | Transfer Excess Credit Card Fees Review Daily Financial Reports Properly Bill and Collect Court Costs |
| Waynesboro* | GDC | No | |
| Waynesboro* | JDR | No | |
| Westmoreland* | GDC | No | |
| Westmoreland | JDR | Yes | Request Tax Set-Off Refunds Properly Bill and Collect Court Costs |
| Winchester* | GDC | No | |
| Winchester* | JDR | No | |
| Wise/Norton | GDC | Yes | Properly Bill and Collect Court Fines and Costs Request Tax Set-Off Refunds |
| Wise/Norton | JDR | No | |
| Wythe* | GDC | No | |
| Wythe* | JDR | No | |
| York* | GDC | No | |
| York | JDR | No | |

*Limited Control Review Performed