



VIRGINIA DISTRICT COURT SYSTEM

STATEWIDE REPORT ON AUDIT FOR THE YEAR ENDED JUNE 30, 2022

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



AUDIT SUMMARY

This statewide report summarizes the findings from our audit of the District Court System for the fiscal year ended June 30, 2022. Our audits resulted in findings in 50 courts, some of which had multiple findings. This is a decrease from 58 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 common findings were related to compliance with requirements for tax set-off and state revenue remittance. We also noted internal control weaknesses in accounting areas such as improper record retention, delayed bank deposits, and lack of bank reconciliations. Twenty of the District Court audits had repeat findings compared to 21 courts with repeat findings in the prior year. One of the courts, Pittsylvania Juvenile and Domestic Relations District Court has received the same finding since fiscal year 2016 and two other courts, Prince George Combined District Court and Prince William General District Court have received the same findings since fiscal year 2017.

The approximate potential financial impact of these findings are state revenue losses of \$82,700, locality revenue losses of \$8,600, courts overcharging defendants by \$13,300, and tax set-off losses of \$56,000. These amounts are based on actual errors noted within our samples of court transactions, the impact of which is not projected to all transactions of the courts.

–TABLE OF CONTENTS–

Pages

AUDIT SUMMARY

INTRODUCTION LETTER

1

INTERNAL CONTROL AND COMPLIANCE FINDINGS SUMMARY

2-5

APPENDIX: SUMMARY OF DISTRICT COURT RESULTS

6-11



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 12, 2023

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, 2022. 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

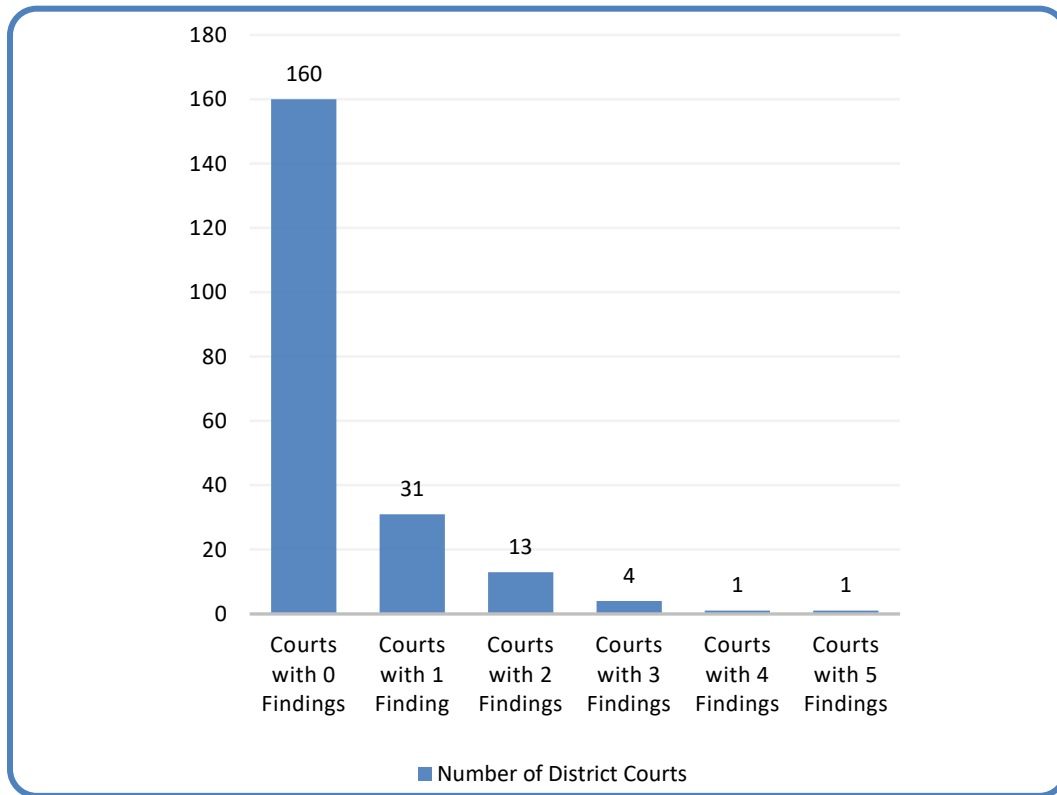
LJH: clj

INTERNAL CONTROL AND COMPLIANCE FINDINGS SUMMARY

For the year ended June 30, 2022, we completed 210 District Court audits, 112 of which were comprehensive audits and 98 of which were limited control reviews. A comprehensive audit involves audit procedures designed to review, in detail, areas such as revenues, expenses, 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 50 courts, some with multiple findings including five in Campbell JDR and four in Emporia CDC. This is a decrease from 58 courts with findings in the prior year.

District Court Audit Results

Chart 1

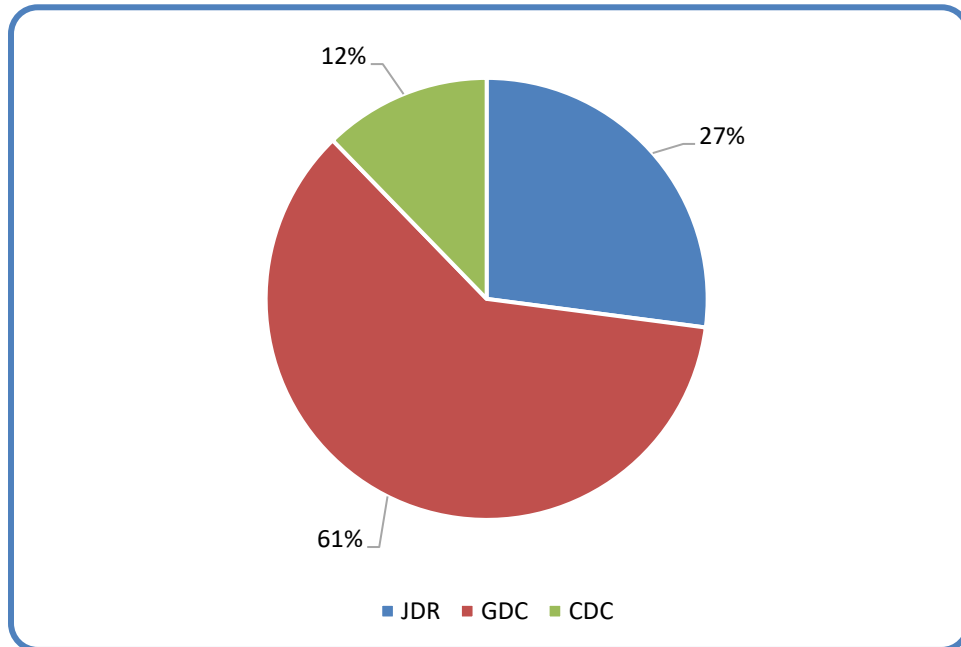


Our analysis of the cumulative results of the audits identified several recurring trends across the Commonwealth. Of the 78 management recommendations made, 54 percent addressed the proper billing and collecting of court fines, costs, and restitution. The approximate potential financial impact of these weaknesses are state revenue losses of \$82,700, courts overcharging defendants by \$13,300, and locality revenue losses of \$8,600. These amounts are based on actual errors noted within our samples

of court transactions, the impact of which is not projected to all transactions of the courts. Chart 2 below shows the distribution of the potential loss of state revenue by court type.

Potential Loss of State Revenue by Court Type

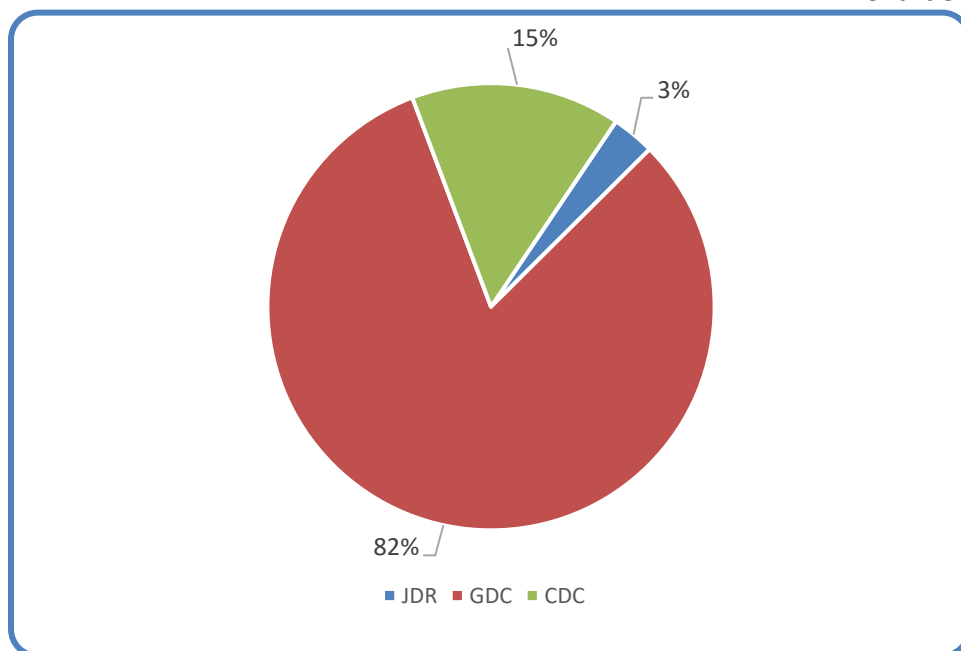
Chart 2



An additional ten findings (13%) identified possible tax set-off (TSO) losses of \$56,000. Chart 3 below shows the distribution of potential tax set-off losses by court type.

Potential Tax Set-Off Losses by Court Type

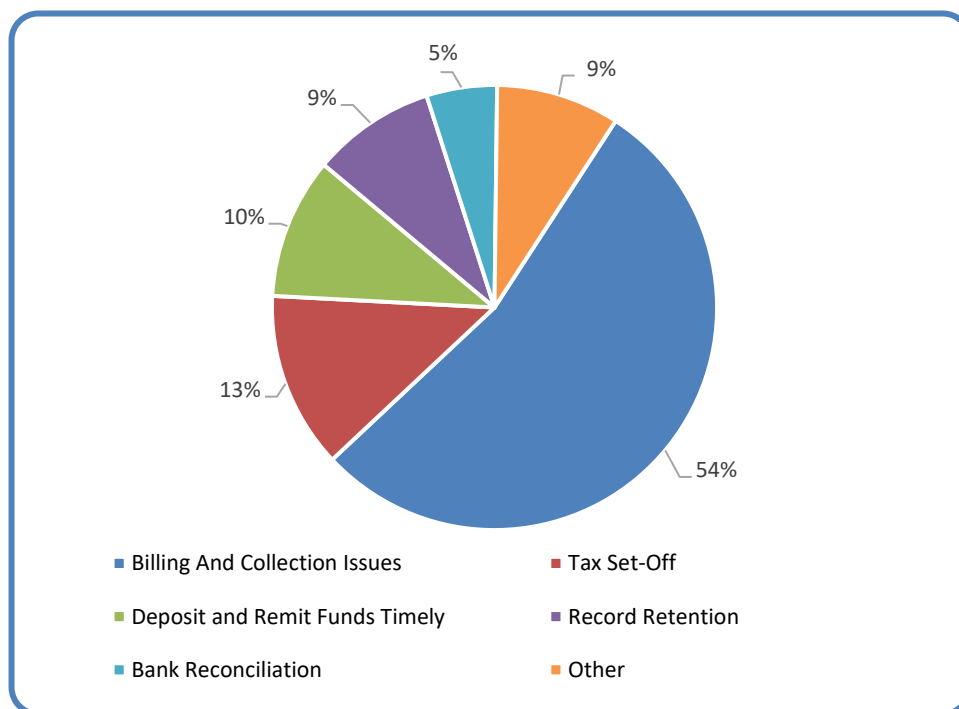
Chart 3



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 timely deposit and remittance of funds, improper record retention, 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

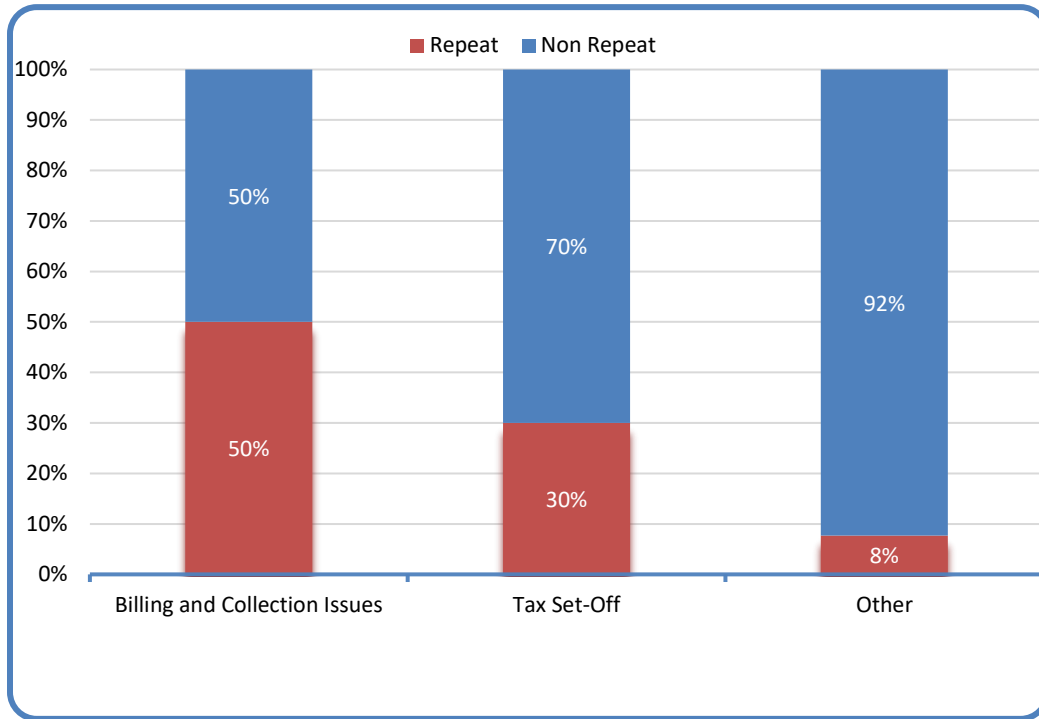
Chart 4



Twenty of the District Court audits had repeat findings compared to 21 courts with repeat findings in the prior year. One of the courts, Pittsylvania Juvenile and Domestic Relations District Court has received the same finding since fiscal year 2016 and two other courts, Prince George Combined District Court and Prince William General District Court have received the same findings since fiscal year 2017. Chart 5 on the following page 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	No	
Accomack*	JDR	No	
Albemarle*	GDC	No	
Albemarle*	JDR	No	
Alexandria	GDC	No	
Alexandria*	JDR	No	
Alleghany	CDC	No	
Amelia*	CDC	No	
Amherst*	GDC	No	
Amherst*	JDR	No	
Appomattox*	GDC	No	
Appomattox	JDR	No	
Arlington	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Arlington	JDR	Yes	Promptly Deposit Collections, Request TSO Refunds
Augusta	GDC	Yes	Promptly Allocate TSO Revenues, Properly Bill and Collect Court Costs
Augusta	JDR	Yes	Properly Bill and Collect Court Fines and Costs, Request TSO Refunds***
Bath*	CDC	No	
Bedford*	GDC	No	
Bedford	JDR	No	
Bland*	CDC	No	
Botetourt	GDC	No	
Botetourt	JDR	Yes	Retain Voided Receipts
Bristol*	GDC	No	
Bristol*	JDR	Yes	Request and Allocate TSO Refunds
Brunswick	CDC	Yes	Properly Bill and Collect Attorney and Expert Fees
Buchanan*	CDC	No	
Buckingham	CDC	No	
Buena Vista	CDC	Yes	Properly Bill and Collect Court Costs
Campbell*	GDC	No	
Campbell**	JDR	Yes	Maintain Accounting Records, Properly Bill and Collect Court Costs, Properly Process Disbursements, Reconcile Bank Account, Request TSO Refunds
Caroline	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Caroline*	JDR	No	
Carroll	GDC	No	
Carroll*	JDR	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Charles City*	CDC	No	
Charlotte	GDC	No	
Charlotte*	JDR	No	
Charlottesville*	GDC	No	
Charlottesville	JDR	Yes	Properly Bill and Collect Attorney Fees***
Chesapeake	GDC	No	
Chesapeake	JDR	Yes	Properly Document Voided Transactions and Retain Voided Receipts
Chesterfield	GDC	No	
Chesterfield	JDR	No	
Clarke*	GDC	No	
Clarke*	JDR	No	
Colonial Heights	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Colonial Heights*	JDR	No	
Craig	CDC	No	
Culpeper*	GDC	No	
Culpeper*	JDR	No	
Cumberland*	CDC	No	
Danville	GDC	No	
Danville	JDR	Yes	Promptly Deposit Collections, Properly Bill and Collect Court Costs
Dickenson	CDC	No	
Dinwiddie*	CDC	No	
Emporia	CDC	Yes	Properly Bill and Collect Court Fines and Costs, Properly Review General Ledger, Reconcile Bank Account, Remit Unclaimed Property and File Reports Timely
Essex*	CDC	No	
Fairfax City	GDC	No	
Fairfax County	GDC	No	
Fairfax County	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Falls Church	CDC	No	
Fauquier	GDC	Yes	Establish Billing Procedures, Properly Bill and Collect Court Fines and Costs, Request TSO Refunds
Fauquier	JDR	Yes	Establish Billing Procedures, Promptly Deposit Collections
Floyd	CDC	No	
Fluvanna*	CDC	No	
Franklin	CDC	No	
Franklin County*	GDC	No	
Franklin County	JDR	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Frederick	GDC	No	
Frederick	JDR	No	
Fredericksburg*	GDC	No	
Fredericksburg	JDR	No	
Galax*	CDC	No	
Giles*	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Giles*	JDR	No	
Gloucester	GDC	No	
Gloucester*	JDR	No	
Goochland	CDC	No	
Grayson	CDC	No	
Greene	CDC	No	
Greensville	CDC	Yes	Properly Bill and Collect Court Fines and Costs, Reconcile Bank Account, Remit Unclaimed Property and File Reports Timely
Halifax*	GDC	No	
Halifax	JDR	No	
Hampton	GDC	No	
Hampton	JDR	No	
Hanover	GDC	No	
Hanover	JDR	Yes	Promptly Deposit Collections
Henrico	GDC	No	
Henrico	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Henry	GDC	No	
Henry	JDR	No	
Highland*	CDC	No	
Hopewell*	CDC	No	
Isle Of Wight	GDC	Yes	Deposit Funds and Remit State Collections Timely, Promptly Allocate TSO Revenues, Properly Bill and Collect Court Costs
Isle Of Wight*	JDR	No	
James City / Williamsburg	GDC	Yes	Certify Expert Fees to Circuit Court
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	Yes	Properly Bill and Collect Court Costs
Lancaster	GDC	No	
Lancaster*	JDR	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Lee*	GDC	No	
Lee*	JDR	No	
Loudoun	GDC	Yes	Retain Voided Receipts
Loudoun	JDR	Yes	Promptly Deposit Collections, Properly Bill and Collect Court Costs
Louisa*	GDC	No	
Louisa	JDR	No	
Lunenburg	CDC	No	
Lynchburg	GDC	No	
Lynchburg	JDR	Yes	Promptly Deposit Collections, Properly Manage System Access
Madison*	CDC	No	
Martinsville	GDC	No	
Martinsville*	JDR	No	
Mathews*	GDC	No	
Mathews*	JDR	No	
Mecklenburg	GDC	No	
Mecklenburg	JDR	No	
Middlesex*	GDC	No	
Middlesex*	JDR	No	
Montgomery*	GDC	No	
Montgomery*	JDR	No	
Nelson*	GDC	No	
Nelson*	JDR	No	
New Kent	GDC	Yes	Properly Bill and Collect Court Fines and Costs
New Kent*	JDR	No	
Newport News – Civil*	GDC	No	
Newport News - Criminal	GDC	Yes	Properly Bill and Collect Court Fines and Costs, Retain Voided Receipts
Newport News - Traffic	GDC	Yes	Properly Bill and Collect Court Fines and Costs, Retain Voided Receipts
Newport News	JDR	No	
Norfolk	GDC	No	
Norfolk	JDR	No	
Northampton	GDC	No	
Northampton	JDR	Yes	Properly Bill and Collect Court Costs
Northumberland*	GDC	No	
Northumberland*	JDR	No	
Nottoway*	CDC	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Orange*	GDC	No	
Orange*	JDR	No	
Page*	GDC	No	
Page	JDR	No	
Patrick*	GDC	No	
Patrick*	JDR	No	
Petersburg*	GDC	No	
Petersburg*	JDR	No	
Pittsylvania	GDC	Yes	Request TSO Refunds
Pittsylvania	JDR	Yes	Properly Bill and Collect Court Costs
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	Properly Bill and Collect Court Costs, Reconcile Bank Account
Prince William	GDC	Yes	Establish Billing Procedures, Properly Bill and Collect Court Fines and Costs, Retain Accounting Records
Prince William	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Pulaski*	GDC	No	
Pulaski*	JDR	No	
Radford*	CDC	No	
Rappahannock	CDC	Yes	Properly Bill and Collect Court Fines and Costs
Richmond City^	GDC	Yes	Promptly Deposit Collections, Properly Bill and Collect Court Fines and Costs
Richmond City	JDR	No	
Richmond County*	CDC	No	
Roanoke City	GDC	No	
Roanoke City	JDR	Yes	Properly Bill and Collect Court Costs
Roanoke County*	GDC	No	
Roanoke County	JDR	No	
Rockbridge*	GDC	No	
Rockbridge	JDR	No	
Rockingham	GDC	No	
Rockingham	JDR	No	
Russell	CDC	No	
Salem*	CDC	No	
Scott*	CDC	No	

Locality	Court Type	Audit Findings (Yes/No)	Finding Area (Repeats in Red)
Shenandoah	GDC	No	
Shenandoah*	JDR	No	
Smyth*	GDC	No	
Smyth*	JDR	No	
Southampton	CDC	Yes	Promptly Delete Systems Access, Request TSO Refunds
Spotsylvania	GDC	No	
Spotsylvania	JDR	Yes	Properly Bill and Collect Court Fines and Costs, Retain Voided Receipts
Stafford*	GDC	No	
Stafford	JDR	No	
Staunton*	GDC	No	
Staunton	JDR	Yes	Properly Bill and Collect Court Fines and Costs
Suffolk	GDC	Yes	Properly Bill and Collect Court Fines and Costs
Suffolk	JDR	No	
Surry*	CDC	No	
Sussex*	CDC	No	
Tazewell	GDC	Yes	Properly Bill and Collect Court Costs
Tazewell*	JDR	No	
Virginia Beach	GDC	No	
Virginia Beach	JDR	No	
Warren*	GDC	No	
Warren*	JDR	No	
Washington	GDC	Yes	Properly Bill and Collect Court Costs
Washington*	JDR	No	
Waynesboro*	GDC	No	
Waynesboro*	JDR	No	
Westmoreland*	GDC	No	
Westmoreland	JDR	Yes	Properly Bill and Collect Court Costs
Winchester*	GDC	No	
Winchester*	JDR	Yes	Properly Bill and Collect Court Fines
Wise/Norton*	GDC	No	
Wise/Norton*	JDR	No	
Wythe*	GDC	Yes	Promptly Allocate TSO Revenues
Wythe*	JDR	No	
York	GDC	No	
York*	JDR	No	

*Limited Control Review Performed

**This was a two-year audit because we were unable to gain access to court records in 2022 to perform the fiscal year 2021 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.

^Richmond – Civil, Richmond (Crim/Traffic), and Richmond (Manchester Crim/Traffic) have merged into one court since the last report.