



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 11, 2025

The Honorable Gino W. Williams
Chief Judge
City of Radford General District Court

The Honorable Monica D. Cox
Chief Judge
City of Radford Juvenile and Domestic Relations District Court

Audit Period: July 1, 2023, through June 30, 2024
Court System: City of Radford
Judicial District: Twenty-seventh

We are performing a statewide audit of the Combined 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 Assess and Bill Court Fines and Costs

Repeat: Yes (First issued in fiscal year 2023 as Properly Bill and Collect Court Fines)

The Clerk and the Clerk's staff did not properly assess and bill court fines and costs. In 14 of 31 (45%) cases tested, we noted the following errors.

- In nine cases, the Clerk miscoded in the financial system court fines and costs of \$11,450 as Commonwealth instead of local.
- The Clerk did not bill the locality for a total of \$570 in attorney fees for six cases.
- For six cases, the Clerk did not charge defendants a total of \$435 in court fines and costs.
- In one case, the Clerk miscoded and receipted a \$75 civil penalty to the wrong account code.

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 her staff should correct the specific cases noted above, seek additional training in the assessment and billing of court fines and 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 fines and costs in accordance with the Code of Virginia.

Request Tax Set-Off Refunds

Repeat: No

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax set-off of refunds for delinquent court fines and costs totaling \$13,648, 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 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 Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding \$2,520 in tax refunds that she should have allocated to defendants' accounts five months before. Courts recover some delinquent fines and costs through Taxation's 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 Clerk should allocate the amount noted during the audit and, going forward, should allocate tax set-off collections immediately upon receipt.

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

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LJH/vks

cc: The Honorable Stephanie Murray Shortt, Judge
The Honorable Erin J. DeHart, Judge
The Honorable H. Lee Chitwood, Judge
Ruby Stump, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia