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Auditor of Public Accounts

# Commonwealth of Virginia

## *Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

July 10, 2014

The Honorable Steven S. Smith  
Chief Judge  
County of Prince William General District Court  
9311 Lee Avenue  
Manassas, VA 20110-5586

Audit Period: July 1, 2012 through June 30, 2013  
Court System: County of Prince William  
Judicial District: Thirty-First

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 certain matters that required management's attention and corrective action. These matters included:

### Retain and Document Voids and Manual Receipts

In six of 13 receipts tested, the Clerk did not retain all copies of the void receipts. Additionally, the Clerk did not consistently document the reasons for voiding the receipts. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely.

In addition, the Clerk and her staff did not include all pertinent information on manual receipts, which increases the risk that the transactions will not be recorded correctly in the court's financial system and that inappropriate financial activity will not be detected. Not properly retaining documentation related to void receipts and manual activity also has the effect of complicating the daily and month-end reconciliation process.

The Clerk and her staff should retain void receipts as required by the Financial Management System User's Guide and improve documentation related to voided transactions and manual receipts.

#### Improve Daily Reconciliation Procedures

The Clerk did not consistently resolve differences between amounts collected and the corresponding bank deposit on a daily basis, resulting in errors not being corrected until the monthly bank reconciliation was prepared. The differences were due to receipting errors that should have been recorded in the court's over/short account on the days that the errors occurred. Instead, the Clerk did not record these errors until after the end of the month and they were not recorded in the court's over/short account as is appropriate.

The Clerk should implement adequate daily reconciliation procedures so that receipting errors can be identified and corrected before collections are deposited at the bank.

#### Properly Bill and Collect Court Fines and Costs

As noted in last year's audit, the Clerk and her staff do not properly bill and collect court fines and costs. Specifically, we noted the following errors.

- Defendants were overcharged a total of \$680 for court appointed attorney fees and \$6 in local costs.
- Defendants were not charged for a total of \$294 in state costs, \$120 in court appointed attorney fees, and \$60 in local costs, resulting in a potential loss to the Commonwealth and locality.
- A fine of \$200 was coded to the wrong locality.
- Court appointed attorney fees of \$240 were not billed to the locality and, in one case, the locality was overbilled \$120 for attorney fees. In addition, we could not determine whether or not \$180 in attorney fees were billed to the locality due to insufficient or missing documentation.
- There were five instances where the Judge or Chief Judge did not sign the List of Allowances or Application for Supplemental or Additional Waiver resulting in payment of unsubstantiated attorney fees totaling \$1,755.
- Attorney fees totaling \$225 were not certified for two grand jury cases, resulting in a loss to the Commonwealth.
- Waiver amounts for attorney fees did not agree to the List of Allowances, resulting in \$533 in incorrect attorney fee payments made by the Office of the Executive Secretary.

The Clerk should correct these specific cases noted above. Further, the Clerk should work with her staff to ensure they understand the billing and collection requirements, especially related to attorney fees. The Clerk should review the work of her staff to identify and correct potential errors. If necessary,

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the Clerk should request additional training from the Office of the Executive Secretary of the Supreme Court of Virginia.

We acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Tracy C. Hudson, Judge  
The Honorable William E. Jarvis, Judge  
Jacqueline R. Ward, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia