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Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

July 7, 2023

The Honorable Alfred W. Bates, III  
Chief Judge  
County of Isle of Wight General District Court

Audit Period: July 1, 2021 through June 30, 2022  
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 Clerk and her staff did not properly bill and collect court costs. In 22 of 60 cases tested (37%), we noted the following errors:

- In three cases, the Clerk miscoded in the financial system \$4,000 in costs as local instead of Commonwealth and \$500 as Commonwealth instead of local.
- The Clerk did not certify a total of \$2,650 in costs for four cases to the Circuit Court.
- The Clerk did not charge defendants in nine cases a total of \$1,741 in court costs.
- The Clerk overcharged defendants in seven cases a total of \$840 in court costs.
- In two cases, the Clerk billed the locality \$240 for public defenders without the required attorney timesheet.

- The Clerk sent attorney invoices for two local cases totaling \$276 to the Commonwealth for payment instead of the locality.

The Clerk and her staff should correct the specific cases noted above, seek additional training in the billing and collection of 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 costs in accordance with the Code of Virginia.

**Promptly Allocate Tax Set-Off Revenues**

**Repeat:** Yes (first issued in fiscal year 2021)

The Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding \$420 in tax refunds that the Clerk should have allocated to defendants' accounts over a year 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 Clerk should allocate the amount noted during the audit and, going forward, should allocate tax set-off collections immediately upon receipt.

**Deposit Funds and Remit State Collections Timely**

**Repeat:** No

The Clerk did not deposit collections timely for five of 24 days tested (21%) and delayed the remittance of state collections on five occasions. Not making bank deposits timely increases the risk of loss of funds and contributes to delays in state remittances, which the Code of Virginia requires clerks to remit twice each week or when collections reach \$5,000. The Clerk should make bank deposits daily as required by the court's accounting manual and should remit state funds as required by the Code of Virginia.

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

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LJH:vks

cc: The Honorable Nicole A. Belote, Judge  
Glenda M. Wadford, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia