



# Commonwealth of Virginia

## Auditor of Public Accounts

Staci A. Henshaw, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

July 7, 2023

The Honorable Jennifer E. Stille  
Chief Judge  
County of Campbell Juvenile and Domestic Relations District Court

Audit Period: July 1, 2020 through June 30, 2022  
Court System: County of Campbell  
Judicial District: Twenty-fourth

We are performing a statewide audit of the Juvenile and Domestic Relations District Courts. This audit covers a two-year period due to a delay in gaining access to court financial records because of an active criminal investigation, which concluded during 2022. 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:** No

The former Clerk did not properly bill and collect court costs. In 27 of 50 cases tested (54%), we noted the following errors.

- The former Clerk did not charge defendants in 14 cases a total of \$1,654.
- For ten cases, the former Clerk overcharged defendants a total of \$688.
- The former Clerk did not certify to the Circuit Court \$713 in court costs for nine appealed cases and incorrectly certified \$310 for four others.
- In one case, the former Clerk miscoded in the financial system costs of \$105 as local instead of Commonwealth.

The Honorable Jennifer E. Stille, Chief Judge  
July 7, 2023  
Page Two

The current Clerk should correct the specific cases noted above 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.

**Reconcile Bank Account**

**Repeat:** No

The former Clerk did not reconcile the court's bank account between July 2020 and March 2022. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. The current Clerk should perform monthly bank reconciliations upon receiving the bank statements as required by the Financial Accounting System User's Guide.

**Properly Process Disbursements**

**Repeat:** No

The former Clerk did not properly process disbursements. The financial system rejected three disbursements totaling \$2,721, which the system flagged as such on the daily disbursement report for over 15 months. The system rejected these disbursements because the former Clerk had previously disbursed the funds and, although the checks had cleared the bank, the former Clerk had not cleared them in the financial system. The current Clerk should follow the procedures outlined in the Financial Accounting System User's Guide when processing disbursements and review all daily financial reports to timely identify and correct processing errors.

**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 \$106, 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 setoff 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.

The Honorable Jennifer E. Stille, Chief Judge  
July 7, 2023  
Page Three

**Maintain Accounting Records**

**Repeat:** No

The former Clerk did not retain for audit one manual receipt used by the Clerk's office. The Financial Accounting System User's Guide requires the Clerk to keep supporting documentation for a period of six months after audit. We recommend the current Clerk review the accounting record retention schedule with her staff and maintain all accounting records in accordance with the Financial Accounting System User's Guide.

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 Brooke Willse Gaddy, Judge  
Lisa M. Knight, Clerk  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia