



APA
Auditor of
Public Accounts
COMMONWEALTH OF VIRGINIA

Court Accounts Receivable

Court Accounts Receivable Study



April Gunn, CPA, CITP, CISA
Director, Auditor of Public
Accounts
January 15, 2013



Study – Court Accounts Receivable

- Reviewed current procedures compared to best practices
- National Center for State Courts source of best practices
- Current Practices in Collecting Fines and Fees in State Courts: A Handbook of Collection Issues and Solutions



Emphasize Collections

- Clerks/Staff
 - Initial collection attempt
 - Emphasized as integral part of punishment
 - Mandate additional follow-up procedures
 - Establish collection goals
- Commonwealth Attorneys
 - Not primary responsibility
 - Mandate performance evaluations for contracts



Utilize Best Collection Method

- Taxation's Court Debt Collection Unit has highest collection rate and lowest collection fee
- Four localities choose to switch away from Taxation during FY12

Method	Number of Localities	Net Collection Rate	Collection Fee
In-House	12	19.5%	33.9%
Private attorney or collection agent	19	31.5%	25.54%
Court Debt Collection Unit (CDC) – Taxation	97	65.5%	17.0%
Local agreement	3	28.80%	32.3%



Cost/Benefit Analysis – Specialized Unit

- Recommendation to perform a cost/benefit analysis of establishing a specialized court collection unit
- No one entity responsible for entire process from adjudication to delinquent collections
- Includes several components such as a dedicated staff, defendant interviews, follow-up procedures, and monitoring
- Cost/Benefit analysis would determine whether the unit could fund itself and produce more revenue for the Commonwealth



Summary

- Establish methods to emphasize collections
- Require the usage of the Department of Taxation's Court Debt Collection Unit
- Perform cost/benefit analysis of specialized court collection unit