



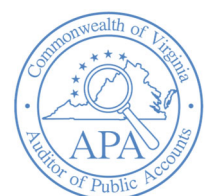
GERALD R. GOAD  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF CARROLL

FOR THE PERIOD  
OCTOBER 1, 2022 THROUGH MARCH 31, 2024

Auditor of Public Accounts  
Staci A. Henshaw, CPA

[www.apa.virginia.gov](http://www.apa.virginia.gov)

(804) 225-3350



## COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that have led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

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

**Repeat:** Yes (First issued in 2020 as Properly Bill and Collect Court Costs)

The Clerk and his staff did not properly bill and collect court fines and costs. In eight of 42 cases tested (19%), we noted the following errors.

- In four cases, the Clerk overcharged defendants a total of \$2,707 in court costs.
- The Clerk did not charge defendants in three cases a total of \$2,568 in court costs.
- In one case, the Clerk miscoded in the financial system the \$1,200 fine as Commonwealth instead of local and in another case, miscoded a \$250 fine as local instead of Commonwealth.

The Clerk and his staff should correct the specific cases noted above and the Clerk should improve his system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court fines and costs in accordance with the Code of Virginia.

### **Establish Receivable Accounts Timely**

**Repeat:** Yes (First issued in 2022)

The Clerk and his staff did not establish receivable accounts timely for six of 26 cases tested (23%). Since the Commonwealth recovers the costs of prosecution when defendants pay the costs the Clerk assesses, the Clerk should establish accounts receivable as soon as possible after conviction, as required by § 19.2-336 of the Code of Virginia.

The court's automated system provides reports, such as the Concluded Cases without Receivables Report, which assists the Clerk in identifying cases that do not have corresponding receivable accounts. The Clerk should request this report for the audit period, review the report, establish any needed accounts, and bill the defendants. Going forward, the Clerk should establish receivable accounts timely in all cases.

### **Properly Record Trust Fund Activity**

**Repeat:** No

The Clerk does not properly record trust fund activity. We noted the following:

- The Clerk delayed recording two trust fund disbursements totaling \$16,482 for up to seven months.
- The Clerk misclassified in the financial system one trust fund as a 'collection for others', which is problematic because there are different guidelines for the handling of trust funds than for other court liabilities.
- The Clerk did not enter into the financial system the correct distribution dates for three trust funds.
- The Clerk is holding \$52,079 of the invested funds in a pooled savings account and does not know the breakdown of the funds by beneficiary, which does not allow interest to be recorded correctly to the individual accounts in the financial system.

The Clerk should immediately resolve the conditions noted, and going forward, should accurately record trust fund activity in the accounting records as it occurs and reconcile all invested accounts with the accounting system monthly.

#### **Properly Monitor and Disburse Liabilities**

**Repeat:** No

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$12,418 in liabilities that he should have either paid or escheated. We also noted the Clerk escheated \$2,039 but did not record the funds as such in the financial system.

The Clerk should review all liabilities he is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owners of the funds, the Clerk should escheat the funds as required by § 55.1-2518 and § 55.1-2524 of the Code of Virginia. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities and make the necessary adjustments in the financial system, as recommended by the Financial Accounting System User's Guide.

#### **Update Individual Receivable Account Status**

**Repeat:** No

The Clerk does not monitor and correct accounts listed on the Individual Account Status Report. Currently, there are 12 credit balance accounts, some of which have been listed for the entire audit period, indicating possible receipting errors or overpayments. Additionally, there are three accounts listed as being on appeal without the required orders approving a stay in the sentence, preventing the accounts from going to collections.

The Clerk should update the individual accounts noted during the audit and, going forward, should timely review and take appropriate action on all accounts appearing on the Individual Account Status Report as recommended by the financial accounting system user's guide.

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# Commonwealth of Virginia

## Auditor of Public Accounts

Staci A. Henshaw, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

July 1, 2024

The Honorable Gerald R. Goad  
Clerk of the Circuit Court  
County of Carroll

Joey Dickson, Board Chairman  
County of Carroll

Audit Period: October 1, 2022, through March 31, 2024  
Court System: County of Carroll

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

### **Management's Responsibility**

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any written corrective action plan to remediate these matters provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether it adequately addresses the issues in this report.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior year that are not repeated in this report.

We discussed these comments with the Clerk, and we acknowledge the cooperation extended to us by the Clerk and his staff during this engagement.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LH: clj

cc: The Honorable Hugh Lee Harrell, Chief Judge  
Michael Watson, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia



**CARROLL COUNTY CIRCUIT COURT**

**CARROLL CO. GOVERNMENTAL CENTER**

**605 PINE STREET, A230**

**P.O. BOX 218**

**HILLSVILLE, VIRGINIA 24343**

**PHONE: (276) 730-3070**

**FAX: (276) 730-3071**

**GERALD R. GOAD - CLERK**

**ggoad@vacourts.gov**



Ms. Staci A. Henshaw, CPA, CGMA  
Auditor of Public Accounts  
Commonwealth of Virginia  
101 N. 14<sup>th</sup> Street, 8<sup>th</sup> Floor  
Richmond, VA 23219

Dear Ms. Henshaw,

This letter serves as an official corrective action plan of our annual audit covering the time period of October 1<sup>st</sup>, 2022 through March 31<sup>st</sup>, 2024. I would first like to thank the auditor for his due diligence in enforcing sufficient checks and balances within our judicial system and within our local constitutional office.

I would like to personally address each of the following points and offer our corrective action plan moving forward:

**Properly Bill Fines and Costs & Establish Receivable Accounts Timely** – The four cases listed as a total of \$2,707 in court costs were from jury trials in which the Code changed just last year to pay jurors from \$30 to \$50, and one case did not show on a financial report our office uses to check off on the billing of fines and costs. The other cases were simply human error. I would like to remind you that I go back and audit every case behind our Accounting Technician's duties. Per recommendations from the auditor, I will use an additional report along with the current report I use to audit costs to correct this finding for the future.

**Properly Record Trust Fund Activity** - The \$52,079 held in pooled, interest bearing accounts was our office's policy since I began Clerk eight years ago and not a single previous auditor ever mentioned this as a concern. Our current banking institution has a minimum of \$1k to invest trust funds into CDs and anything lower than this goes into a pooled, interest bearing account. The Accounting Technician and I have already made plans to have these funds set up at another financial institution in order to be more successful in reporting the breakdown of interest of these funds.

During part of the audit period, there was not sufficient communication between the deputy clerk at the time and the Accounting Technician regarding the receipting of trust funds. Once the deputy clerk resigned, I went through every initial filing myself and found several errors in which showed issues with accurately recording trust fund activity. We now have a new civil deputy clerk and the communication and teamwork with both the deputy clerk and the Accounting Technician is very positive and should no longer be anymore issues moving forward.

**Properly Monitor and Disburse Liabilities** – This was a training issue with the Accounting Technician and there is now more of a better understanding of the escheatment process moving forward.

**Update Individual Receivable Account Status** – The 12 credit balance accounts were from where I audited the fines and costs and were overpayments from where I caught the errors. Along with the corrective action plan under the first bullet, the Accounting Technician and I will work more timely on having these billing errors fixed.

We tremendously appreciate the cooperation with the auditor, however, please take into account my efforts and immediate correction of these errors as most have already been corrected. I would like to point out that all over numerous areas within my office related to finances such as deed calculations, civil filings, will/estate filings, and other financial duties that no exceptions were found by the auditor.

Sincerely,  
[Signature on File](#)

✓ Gerald R. Goad, Clerk  
Carroll County Circuit Court