



SHERRY GAUTIER
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF GILES

FOR THE PERIOD
APRIL 1, 2020 THROUGH SEPTEMBER 30, 2021

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

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

Reconcile Bank Account

Repeat: No

The Clerk did not reconcile the court's bank account during the audit period. Although the Clerk's staff attempted to reconcile the account, the Clerk left differences noted between the bank and financial system balances unresolved for up to six months. In addition, the Clerk did not consistently review reconciliations prepared by her staff. Timely and complete reconciliations, along with supervisory review, 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 Clerk should ensure her staff complete the bank reconciliation each month upon receiving the bank statements and should review all reconciliations and promptly resolve any reconciling items, as recommended by the financial accounting system user's guide.

File Annual Trust Fund Report

Repeat: No

The Clerk did not file an annual report of trust funds held on June 30, 2021, with the court. Section 8.01-600 of the Code of Virginia requires the Clerk to file an annual trust fund report with the Court no later than October 1 of each year and record the report in the court's trust fund order book.

The Clerk should immediately file the fiscal year 2021 trust fund report with the court and record the report in the court's trust fund order book. Additionally, the Clerk must file an annual trust fund report each year in accordance with Code of Virginia requirements.

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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

January 19, 2022

The Honorable Sherry Gautier
Clerk of the Circuit Court
County of Giles

Richard McCoy, Board Chairman
County of Giles

Audit Period: April 1, 2020, through September 30, 2021
Court System: County of Giles

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 response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

The Clerk has taken corrective action to remediate the internal control finding that we reported in the previous audit.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH:clj

cc: The Honorable Bradley W. Finch, Chief Judge
Chris McKlarney, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

Office of the Giles County Circuit Court Clerk

PO Box 502
Pearisburg, VA 24134

Sherry E. Gautier, Clerk
PO Box 502
Pearisburg, VA 24134
(540) 921-1722 (Phone)
(540) 921-3825 (Fax)



Krystal L. Johnston, Chief Deputy
Melissa G. Cromer, Deputy
C. Lynnsey Johnson, Deputy

Corrective Action Plan

April 6, 2022

Auditor of Public Accounts
Staci A Henshaw
Commonwealth of Virginia
101 North 14th Street, 8th Floor
Richmond, VA 23219

Dear Staci Henshaw:

On January 14, 2022, Mr. Daniel Stanley met with me and went over our Possible Finding report per our Audit period April 1, 2020 through September 30, 2021. After speaking with him a Corrective Action Plan was put into place and corrections were made while he was here.

Reconcile Bank Accounts

Going forward our bank statement reconciliation must be completed before the end of the current month. Weekly check-ins will be made to make sure we are promptly resolving any issues that may arise. All statements are up-to-date.

Annual Trust Fund Report

This report was entered while Mr. Stanley was in our office, and is now on two staff members calendar to make sure it is entered into the court's trust fund order book before October 1st of each year.

Sincerely,

A handwritten signature in black ink, appearing to read 'SGautier'.

Sherry E Gautier
Clerk, Giles Circuit Court