



LIEZELLE A. DUGGER
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

FOR THE PERIOD
JANUARY 1, 2022 THROUGH MARCH 31, 2023

Auditor of Public Accounts
Staci A. Henshaw, CPA

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(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.

Reconcile Bank Accounts

Repeat: Yes (first issued 2019)

The Clerk did not reconcile the court's bank accounts during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase the risk of loss of funds. The Clerk should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

Properly Bill and Collect Probate Taxes

Repeat: Yes (first issued 2020)

The Clerk did not bill estates for additional probate taxes when required. In three of 14 estates tested (21%) that had additional probate tax due, the Clerk did not bill a total of \$549 in probate taxes after receiving the final inventories. Section 58.1-1717 of the Code of Virginia requires the Clerk to compare the probate tax return to the final inventory and bill for additional taxes when applicable. The Clerk should bill the estates noted during the audit for additional state probate tax due based on the final inventories and, going forward, should calculate and bill estates for additional taxes when applicable.

Properly Bill and Collect Court Costs

Repeat: Yes (First issued in 2013)

The Clerk and her staff did not properly bill and collect court costs. In 15 of 48 cases tested (31%), we noted the following errors.

- The Clerk did not charge defendants in 14 cases a total of \$7,029 in court costs.
- In one case, the Clerk overcharged the defendant \$500 in costs.

The Clerk and her staff should correct the specific cases noted above, seek additional training in the billing and collection of fines and 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.

Properly Docket Judgments**Repeat:** No

In three of 15 criminal cases tested (20%), the Clerk did not record the amounts owed in the judgment lien indexing system. To maximize the opportunity for the collection of delinquent fines and costs, the Clerk should record judgment lien information immediately as required by § 8.01-446 of the Code of Virginia.

Properly Manage and Report Trust Funds**Repeat:** Yes (first issued in 2020)

The Clerk does not properly manage and report trust fund accounts as required by the Code of Virginia and the Financial Accounting System User's Guide. We noted the following:

- The Clerk did not invest three trust funds totaling \$72,083 as required by § 8.01-600 of the Code of Virginia.
- The Clerk did not post interest in the financial accounting system to individual trust fund accounts, resulting in incorrect account balances.
- The Clerk did not properly record in the financial accounting system a \$31,513 trust fund.
- The Clerk did not file an annual trust fund report with the court for 2022 as required by § 8.01-600 of the Code of Virginia.

The Clerk should immediately resolve the conditions noted above and, going forward, should accurately record activity in the financial system; receipt, invest, and disburse trust funds as required; and file the annual trust fund report with the court each year as required by the Code of Virginia.

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 18, 2023

The Honorable Llezelle A. Dugger
Clerk of the Circuit Court
City of Charlottesville

J. Lloyd Snook, Mayor
City of Charlottesville

Audit Period: January 1, 2022 through March 31, 2023
Court System: City of Charlottesville

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 finding reported in the prior year that is not repeated in this report.

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:vks

cc: The Honorable Claude V. Worrell, Jr., Chief Judge
Michael C. Rogers, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

**CIRCUIT COURT
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September 22, 2023

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

RE: Corrective Action Plan
Charlottesville Circuit Court Clerk's Office
Audit Period: January 1, 2022 through March 31, 2023

Dear Ms. Henshaw,

This Corrective Action Plan responds to the Audit Report covering January 1, 2022 through March 31, 2023

Reconcile Bank Accounts

Bank accounts shall be reconciled.

Properly Bill and Collect Probate Taxes

The estates not billed during the audit period shall be billed for additional state and local probate taxes. Going forward, additional probate taxes shall be billed in a timely manner.

Properly Bill and Collect Court Costs

The specific cases noted will be reviewed, and where appropriate, corrected. I shall continue my efforts to train the Deputy Clerks in my Criminal Division in this specific area. It should be noted that this Division has had the most frequent turnover in staff over the last five (5) years largely due to deputies taking higher paying jobs elsewhere. And this year, we unfortunately lost my most senior Criminal Division Deputy Clerk to cancer.

Properly Docket Judgments

With frequent turnover, there is usually a brand new Deputy Clerk assigned to this task, I shall strive to do a better job in training new Deputy Clerks with regards to this area of their position.

Properly Manage and Report Trust Funds

I shall invest all trust funds not currently invested, record all omitted activity in the financial system, and prepare and file with the Court a trust fund report for 2023 (and subsequent years). Going forward, I shall record all trust fund activity in the financial accounting system in a timely manner. I will also manage and report trust funds in accordance with §8.01-600 of the Code of Virginia.

While audits by their very nature are stressful, the Audit Team was professional and courteous and made every effort not to disrupt the daily flow of business during their audit visit to our office. Please convey my heartfelt thanks to the Audit Team for the manner in which they conducted their business.

Very truly yours,
[Signature on File](#)

Llezzelle Agustin Dugger
Clerk of Court