



ELIZABETH BROWN
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF MATHEWS

FOR THE PERIOD
JULY 1, 2023 THROUGH JUNE 30, 2024

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: Yes (First issued to the former Clerk in 2022. New finding for the current clerk.)

The Clerk has not reconciled the operating account since March 2023. 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 immediately reconcile the bank account and, going forward, should reconcile the bank account upon receipt of the bank statements and record corrections and adjustments to the financial system timely.

Properly Assess and Bill Court Costs

Repeat: Yes (First issued to the former Clerk in 2023 as Properly Bill and Collect Court Costs. New finding for the current Clerk.)

The Clerk and the Clerk's staff did not properly assess and bill court costs. In 32 of 40 (80%) cases tested, we noted the following errors.

- For eleven cases, the Clerk did not charge defendants a total of \$2,111 in court costs and \$200 in restitution.
- The Clerk overcharged defendants in 19 cases a total of \$5,078 in court costs.
- The Clerk miscoded in the financial system court costs of \$120 in one case as Commonwealth instead of local and \$38 as local instead of Commonwealth in another case.

The amounts above are based on actual errors noted within our sample of court transactions, the impact of which we did not project to all transactions of the court. The Clerk and the Clerk's staff should correct the specific cases noted above, seek additional training in the assessment and billing of court costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should assess and bill court costs in accordance with the Code of Virginia.

Properly Bill and Collect Probate Taxes and Fees

Repeat: Yes (First issued in 2023 for former clerk. New finding for current clerk.)

The Clerk did not properly bill and collect probate taxes and fees when recording wills. In three of ten (30%) estates tested, we noted the Clerk did not bill and collect taxes of \$278 and overcharged taxes and fees of \$66. The Clerk should correct the three estates noted and, going forward, should properly bill and collect probate taxes and fees when recording estates, as required by the Code of Virginia.

Deposit Funds and Remit State Collections Timely**Repeat:** No

The Clerk did not receipt and deposit clerk's commissions and tax set-off collections timely. The Clerk received checks totaling \$11,236 between June 2024 and November 2024 but did not receipt or deposit them until December 2024. Not receipting and depositing funds immediately upon receipt increases the risk of loss of funds and contributes to delays in state remittances. The Clerk should receipt and deposit funds promptly upon receipt as required by § 2.2-806(B) of the Code of Virginia.

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 \$18,918 in liabilities that she should have either paid or escheated. The Clerk should review all the liabilities she is currently holding and disburse, as applicable. If the owners of the funds cannot be located, 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 as recommended by the Financial Accounting System User's Guide.

Maintain Accounting Records**Repeat:** No

The Clerk could not produce for audit supporting documentation for \$880 in debit purchases made during the audit period. 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 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.

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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 10, 2025

The Honorable Elizabeth Brown
Clerk of the Circuit Court
County of Mathews

Janice Hudgins Phillips, Board Chair
County of Mathews

Audit Period: July 1, 2023, through September 30, 2024
Court System: County of Mathews

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 the Clerk's staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/vks

cc: The Honorable Holly B. Smith, Chief Judge
Ramona Wilson, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

Commonwealth of Virginia
County of Mathews
Clerk of the Circuit Court
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Mathews, Virginia 23109
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Staci A. Henshaw
Auditor of Public Accounts
101 North 14th Street, 8th Floor
Richmond, VA 23219

April 4, 2025

Ms. Henshaw,

All items noted on the audit report have been corrected. While we strive to process all transactions completely and correctly the first time, there is no transaction that cannot be corrected.

Since taking office in 2024, our greatest challenge has been staffing changes. With a 50% turnover of new employees with no previous experience, our primary task is getting staff up to speed and able to work independently. This takes me and my experienced Deputy Clerk from our regular duties. As you know, it is not unusual for staff changeover to increase chances of error.

We continue to train, fix our errors, and learn from this experience.

Respectfully, 
Signature on File

Elizabeth A. Brown
Clerk of Court