



LINDA BATCHELOR SMITH  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF HAMPTON

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

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 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.

### **Monitor and Disburse Liabilities**

Repeat: Yes (First issued in 2022)

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$241,642 in liabilities that she should have either paid or escheated. The Clerk should review all liabilities she is currently holding and disburse, as applicable. In the event that 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.

### **File Annual Trust Fund Report**

Repeat: No

The Clerk did not file an annual report of trust funds held at June 30, 2022, 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 2022 trust fund report with the Court and record it in the court's trust fund order book. Going forward, the Clerk should file an annual trust fund report each year in accordance with Code of Virginia requirements.

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

Repeat: No

The Clerk did not properly bill and collect court costs. In eight of 67 cases tested (12%), we noted the following errors.

- The Clerk did not charge defendants in six cases a total of \$4,528 in court costs.
- In one case, the Clerk miscoded in the financial system costs of \$120 as Commonwealth instead of local.
- The Clerk overcharged the defendant in one case a total of \$50 in court costs.

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

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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 7, 2023

The Honorable Linda Batchelor Smith  
Clerk of the Circuit Court  
City of Hampton

Donnie Tuck, Mayor  
City of Hampton

Audit Period: April 1, 2022, through March 31, 2023  
Court System: City of Hampton

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.

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 Michael A. Gaten, Chief Judge  
Mary Bunting, City Manager  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia

**OFFICE OF THE CLERK OF THE CIRCUIT COURT  
LINDA BATCHELOR SMITH, CLERK**

Office Manager  
Chief Deputy Clerk II  
Sarah V. Bowe



EIGHTH JUDICIAL CIRCUIT  
237 N. KING STREET  
HAMPTON, VA 23669-0040

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September 6, 2023

Staci A. Henshaw, CPA  
Auditor of Public Accounts  
James Monroe Building  
101 North 14<sup>th</sup> Street, 8<sup>th</sup> Floor  
Richmond, Virginia 23219

RE: Audit Period April 1, 2022 -March 31, 2023

Dear Ms. Henshaw:

This letter is my official response and corrective action plan as it relates to the Hampton Circuit Court Clerk's Office Audit for the period April 1, 2022 through March 31, 2023.

**Monitor and Disburse Liabilities**

Yes, I concur with the audit finding and acknowledge this to be a repeat finding. During the last audit period, our bookkeeper of 17 years retired, and we were in the midst of training a new one. Fast forward, the trainee wasn't able to complete and master all aspects of said position, therefore, resulting in her removal. Our former bookkeeper has since returned on a parttime basis and has resumed said position.

As a corrective action plan, we have since resumed reviewing the BR08 Liability Index Report on a monthly basis and utilizing the yearend BR16 Unclaimed Property Report. Due diligence letters have gone out to respective parties resulting in some disbursements and/or escheatment's.

**File Annual Trust Fund Report**

I concur with finding, however, please note this report has always been filed in a timely manner. This report is handled by the bookkeeping department and as stated earlier on, some duties just wasn't performed by the trainee at that time.

As a corrective action plan, the report has since been filed and will continue to be filed as dictated by law.

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

I concur with finding and all eight cases noted were promptly reviewed and corrected resulting in NO loss to the State, Locality, Victim or Defendants, since cases had not yet been paid.

As a corrective action plan, we will continue with training, utilizing Appendix C of the Circuit Court Clerk's Criminal Manual and periodically, have the bookkeeper review the assessment sheets of each Court Clerk with an added emphasis on accuracy and being compliant with proper assessment of court fines and costs.

As Clerk of the Circuit Court for the City of Hampton, I take great pride in the performance of my staff and will continue to be diligent in our actions to serve this community and comply with the Code of Virginia.

I extend my gratitude to your staff for the time and attention dedicated to our office and its audit.

Sincerely yours,

[Signature on File](#)

Linda Batchelor Smith, Clerk

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