



GERALD A. GIBSON  
CLERK OF THE CIRCUIT COURT  
FOR THE  
CITY OF DANVILLE

REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2014 THROUGH DECEMBER 31, 2015

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
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## COMMENTS TO MANAGEMENT

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

### **Promptly Bill Locality for Public Defender Fees**

The Clerk did not bill the locality for \$2,868 in public defender fees that were certified for payment during the audit period until the start of our audit in March of 2016. The Clerk should bill the locality for these fees as soon as possible after the court has certified the public defender's timesheet for payment.

### **Properly Bill and Collect Court Costs (Repeat Finding)**

The Clerk and his staff did not properly bill and collect court costs. In five of 40 cases tested, we noted the following errors;

- In three cases, defendants were not billed for a total of \$380 in court costs.
- In two local cases, \$315 in public defender fees were miscoded as state instead of local.

The Clerk and his staff should correct the specific cases noted above and institute a more diligent 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.

### **Promptly Delete System Access**

The Clerk did not delete two former employees' access to the court's automated information system for up to four months after the employees' last day of work. Having unauthorized individuals with access to the court's automated information system could compromise the integrity of the system and the data it contains.

The Clerk is responsible for granting, changing, and terminating access to the court's automated information system. The Clerk should promptly delete an employee's access to the automated system when that employee resigns or is terminated.

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Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

May 13, 2016

The Honorable Gerald A. Gibson  
Clerk of the Circuit Court  
City of Danville

Sherman M. Saunders, Mayor  
City of Danville

Audit Period: April 1, 2014 through December 31, 2015  
Court System: City of Danville

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System 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 possibly lead to the loss of revenues or assets, or otherwise compromise 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.

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

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Joseph W. Milam, Jr., Chief Judge  
Ken Larking, Interim City Manager  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts



**Gerald A. Gibson**  
**Clerk of Circuit Court**  
**City of Danville**  
P. O. Box 3300  
Danville, Virginia 24543  
434-799-5168



May 11, 2016

Martha Mavredes  
Auditor of Public Accounts  
P. O. Box 1295  
Richmond, VA 23218

***RE: Clerk's Response and Corrective Action Plan***  
***Audit Period: April 1, 2014 – December 31, 2015***

Dear Ms. Mavredes:

The purpose of this letter is to address the Comments to Management included in your Audit Report for the period referenced above for this Court. We must first note that this office has experienced the steady turnover of six staff members over the past 18 months due in large part to insufficient salaries offered by Circuit Court Clerks. Our office routinely handles more revocation hearings in this jurisdiction than any other jurisdiction in the Commonwealth of Virginia, processes more records to the appellate courts than almost any other court in the Commonwealth, and also manages 48% of the caseload for the 22nd Judicial Circuit. Therefore, we feel that the number of oversights noted is minor considering the workload that we strive to successfully manage.

The billing for Public Defender Fees has been processed and the state has been reimbursed for all costs incurred, resulting in no loss of revenue. Billing will now be processed monthly as fees are received. As of this date, there are no public defender fees due to be billed to the locality.


Please note that all cited matters requiring corrections were resolved during our audit. Adjustments have also been made for the three cases referenced, resulting in no loss of revenue. The two cases for public defender fees were properly coded throughout the files, and were properly billed to the locality; the codes were simply mis-keyed upon entry of the court costs in the Financial Management System. Ongoing assessments of costs will continue to be made per the Circuit Court Clerk's Criminal Manual and the

Code of Virginia. Also, focused review of criminal receivables and training on Chart of Allowances and Fees for Court Appointed Counsel will be initiated. Additionally, we will begin a 2-person review of List of Allowances charges to better ensure accuracy before submission for payment.

Lastly, regarding system access; the Clerk recognizes that an employee's access to the court's automated systems should be deleted promptly following separation. While there was a slight delay in removing two employees from the court's automation system, attempted access for these individuals was not feasible in any manner. A new system has begun which will ensure increased verification of this process.

Further, and of the utmost importance, we diligently strive to perform all mandated duties with great efficiency per the Code of Virginia and to provide the best possible service to the citizens of the City of Danville.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald A. Gibson", written over a horizontal line.

Gerald A. Gibson, Clerk

GAG/ash