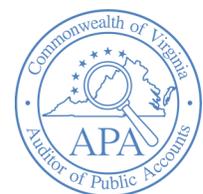




GERALD R. GOAD
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CARROLL

FOR THE PERIOD
JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

Auditor of Public Accounts
Martha S. Mavredes, 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 the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Monitor and Disburse Liabilities

The Clerk does not properly monitor and disburse court liabilities. Specifically, the Clerk did not disburse four liability accounts totaling \$4,102 that should have been paid out during the audit period. The Clerk should disburse the amounts noted and should monitor and disburse liabilities on a monthly basis as recommended by the Financial Management User's Guide.

Properly Bill and Collect Court Costs

The Clerk and his staff did not properly bill and collect court costs. In eight of 17 cases tested, we noted the following errors.

- In two cases, the defendants were overcharged a total of \$895 in court costs.
- In five cases, the defendants were not billed \$767 in court costs.
- In one local case, the Clerk incorrectly sent the court-appointed attorney bill, totaling \$316, to the Commonwealth for payment. Additionally, the court-appointed attorney fees were miscoded as state rather than local.

The Clerk and his staff should correct the specific cases noted above and should 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 Code of Virginia.

-TABLE OF CONTENTS-

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	3-4



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 31, 2017

The Honorable Gerald R. Goad
Clerk of the Circuit Court
County of Carroll

R. J. "Bob" Martin, Jr., Board Chairman
County of Carroll

Audit Period: January 1, 2016 through December 31, 2016
Court System: County of Carroll

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 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 Josiah T. Showalter, Jr., Chief Judge
Steve Truitt, County Administrator
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



CARROLL COUNTY CIRCUIT COURT

CARROLL CO. GOVERNMENTAL CENTER

605 PINE STREET, A230

P.O. BOX 218

HILLSVILLE, VIRGINIA 24343

PHONE: (276) 730-3070

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GERALD R. GOAD - CLERK

ggoad@courts.state.va.us



April 24th, 2017

Ms. Martha S. Mavredes, CPA
Auditor of Public Accounts
James Monroe Building
101 North 14th Street, 8th Floor
Richmond, VA 23219

Dear Ms. Mavredes,

In my second year as Clerk of the Circuit Court for Carroll County, this letter serves as the official response and entails the corrective action plan my office plans to execute after our audit was conducted by your staff during the week of March 27th through the 31st, 2017. I do want to mention that I greatly appreciate their professionalism, courteous assistance, and positive feedback in moving forward. Several management points prior to me serving as Clerk have been cleared and fixed within my first 12 months in office.

Below is information regarding my response to the findings and my plans to immediately correct these matters:

CR16-235-00: The attorney fees were miscalculated due to combining cases. Due to change in systems, problem with image was not found until image review for entry into CIS. In the future, we will make sure to verify that all documentation is provided when assessing costs.

CR13-418-00: When I started as Clerk of the Circuit Court on December 16th, 2015, there was about a 3.5 month backlog of civil case processing, and a backlog of criminal case processing due to shortness of staff. With permission and authority from the Clerk of the Circuit Court of a neighboring County, a deputy clerk was sent from their office to assist our office in getting my office back on track again. The special deputy clerk assessed the costs on this case and were miscalculated. The totals were from three different trial dates. We have amended the total after pulling juror payment forms from Clerk's records.

CR16-181-00, CR16-690-00, CR16-003-00, CR16-279-00, CR16-279-00: My office miscounted the number of cases with applied fees. In the future, I will make sure that at least two employees including myself assess the costs in order to make sure no more errors will be made, with enhancing our costs assessments sheet guides used.

CR15-584-00: The \$90 fee requirement to assess on this case was not stated in the Court notes, nor in the Judge's notes in the file – therefore, there was no documentation to go by in order to successfully apply the fee. A copy of the official court notes was given to the Audit team during the time of the visit. In the future, we will make sure that accurate documentation is provided to justify assessing the costs.

CR16-101-00: There was a \$278 total on this case. The amount for CAA fees was not on the warrant in the file. The timesheet had already been sent to the state for processing/payment by our office. In the future as Clerk, I will ensure that timesheets will not be sent prior to fully and accurately assessing costs.

CR95-117: The bookkeeper informed the Audit team that checks lower than \$10.00 were not issued. The recipient is deceased. She also informed that we will send to unclaimed property once collections match our office's previously stated policy. In the future, we will get a more clarification regarding the \$10 policy and making sure it is in compliance with auditing standards as it was mentioned to the Audit team during my audit questionnaire with no questions or concerns.

14-180 CD: After reviewing this particular finding, my office should have sent these funds to Unclaimed Property with the 2016 report. This was an oversight among myself and the bookkeeper as we will greatly improve in this area moving forward.

Cemetery Fund - Interest Amounts: My office will pay out interest amounts when transferred to control of Trustees. As a new Clerk and faced with several matters to improve and fix, I was not able to get this taken care of prior to the audit period with being in office a little over a year. The amounts listed do not equal previously stated check writing policy (not written less than \$10.00). An Order will be written within the next 30 days to clear up this finding.

Garnishment Funds: The Attorney's office involved in the case did not remit Order for payout to our office. The final order in the case had listed \$655.98 which was remitted. No other orders were submitted by Plaintiff to our office for payout. My office has contacted the attorney's office (left voicemail) to discuss entry of order for payout of funds in order to successfully pay out this case.

Sincerely,



Gerald R. Goad, Clerk
Carroll County Circuit Court