



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

FOR THE PERIOD
APRIL 1, 2020 THROUGH MARCH 31, 2021

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matter 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 Bill and Collect Court Fines and Costs

Repeat: Yes (first issued in 2020 as Properly Bill and Collect Court Costs)

The Clerk and his staff did not properly bill and collect court fines and costs. In seven of 38 cases tested (18%), we noted the following errors.

- Defendants in five cases were not charged a total of \$6,606 in court appointed attorney fees.
- In two cases, the Clerk miscoded fines and costs of \$408 in the financial system as local instead of Commonwealth.

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 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

July 9, 2021

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

Dr. Tom Littrell, Board Chairman
County of Carroll

Audit Period: April 1, 2020, through March 31, 2021
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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter 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 Clerk and his staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

SAH:vks

cc: The Honorable Bradley W. Finch, Chief Judge
Michael Watson, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia



CARROLL COUNTY CIRCUIT COURT

CARROLL CO. GOVERNMENTAL CENTER

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GERALD R. GOAD - CLERK

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Mrs. Staci Henshaw, CPA
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

RE: Audit Period April 1, 2020 through March 31, 2021

Dear Mrs. Henshaw,

This letter serves as an official corrective action plan and my recommendations/requests after results of our annual audit covering the time period of April 1st, 2020 thru March 31st, 2021. I first would like to begin thanking the auditor for his due diligence in enforcing sufficient checks and balances within our judicial system and within our local constitutional office. The auditor did express that he is admired with my management style and was very pleased with the continuous successes shown.

I would, however, like to address the matter discussed involving internal control and its operation that could have led to the loss of revenue to the Commonwealth expressed by the auditor:

1. **Defendants in five cases were not charged a total of \$6,606 in court appointed attorney fees** – On one of these cases, I would like to point out that the DC-40 court appointed timesheet was not turned into the court until six months after the conclusion of the case and after the audit period ended. On two cases, the defendant of each one as of today, has still not made a single payment to their fines and costs. All exceptions were immediately corrected and amended cost notices were mailed to each defendant.
2. **In two cases, the Clerk miscoded fines and costs of \$408 in the financial system as local instead of Commonwealth** – On these two cases, we went by the local arresting officer in each one instead of double-checking the state and local codes reflected on the warrant. This is clearly a human error and costs were immediately amended and notices were sent out.

As Clerk of the Circuit Court of the County of Carroll, I have made and enforced significant improvements regarding the financial duties and responsibilities of our office that has reflected

in previous audit reports that shows no matters involving internal control and its operation necessary to bring to management's attention. I take it upon myself to properly review and sign off on every criminal case cost assessment sheet in which our office created ourselves internally and utilize once costs are properly billed and assessed by the accounting technician – therefore creating a two person review process on criminal fines and costs.

I respectfully disagree with denoting a repeat finding regarding “properly billing and collecting court fines and costs” as it is such a broad category, involving so many assessments which are sometimes assessed and sometimes not, often depending on the opinion of an OES fiscal technician. It is important for purposes of Career Development that certified Clerks be penalized for willful and knowing violations and are not punished nor sanctioned by the repeat classification when the controlling system is otherwise fully implemented and effective. The findings last year, in which only were seven cases yet again, were of a completely different assessment regarding psychological evaluation billing.

On another note, 2020 was a challenging year with the COVID-19 pandemic. Major backlogs, delays, and other restrictions were in place and dealt within the court system in which created stress and adjustments regarding workflow and other matters that I would have greatly appreciated the auditor taking into consideration.

The main issue here are the delays of court appointed attorney timesheets being submitted to our office way past the case conclusion date in which creates a room for error simply due to the fact of the timing of the assessment, going back to something that was already concluded, and still being able to handle the high continuous number of criminal cases that are initiated and concluded within our court every week. As a corrective action plan, our office will continue our checks and balances system that previous auditors and OES have highly praised due to our proactiveness because it works. I will send out a memo to all court appointed attorneys about the importance of submitted timesheets in a more timely and efficient manner due to the sufficient handling of assessing a defendant's fines and costs.

I respectfully ask that this management point be made verbal instead of written based on the fact that the seven cases in which errors were reported were in fact corrected immediately and that half of these cases the defendants have not even made their first payment.

We tremendously appreciate the work and cooperation with the auditor, however, please take into account my efforts, considerations, and the immediate correction of these seven errors. I would like to point out that all other numerous areas and divisions within my office related to finances such as trust funds, bank reconciliations, deed calculations, and other financial duties that no exceptions were found nor brought to my attention by the auditor.

Sincerely,



Gerald R. Goad, Clerk
Carroll County Circuit Court