



SHERRI M. HAZLEWOOD  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF PATRICK

FOR THE PERIOD  
JULY 1, 2022 THROUGH JUNE 30, 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 have led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

### **Promptly Deposit Collections**

**Repeat:** No

The Clerk delayed depositing court collections by one day for one of five days tested (20%) during the audit period. Delaying bank deposits increases the risk of loss of funds and has the potential to delay the remittance of state and local funds. The Clerk should make bank deposits daily as required by the Financial Accounting System User's Guide.

### **Request Tax Set-Off Refunds**

**Repeat:** No

The Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax setoff of refunds for delinquent court fines and costs totaling \$1,367, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for setoff of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

### **Properly Bill and Collect Probate Fees**

**Repeat:** No

The Clerk did not properly bill and collect probate fees when recording wills. In five of ten estates tested (50%), we noted the Clerk did not bill and collect a total of \$90 in fees. The Clerk should bill the five estates noted for the additional amounts owed and, going forward, should properly bill and collect probate fees when recording estates, as required by the Code of Virginia.

### **Retain Voided Receipts**

**Retain:** No

For two of seven voided receipts tested (29%), the Clerk did not retain all copies of the receipt. The Clerk should closely monitor and control voided transactions as they pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and should provide training to staff to ensure they perform appropriate journal entries rather than unnecessarily voiding receipts.

**Properly Monitor and Disburse Restitution****Repeat:** No

The Clerk does not properly monitor and disburse restitution. The Clerk is holding \$5,863 in restitution that she should have either paid or escheated. The Clerk should review all restitution she is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owner of the funds, the Clerk should escheat the funds as required by §19.2-305.1(I) of the Code of Virginia. Going forward, the Clerk should monitor and disburse restitution monthly as recommended by the Financial Accounting System User's Guide.

**Update Individual Receivable Account Status****Repeat:** No

The Clerk does not monitor and correct accounts listed on the Individual Account Status Report. At the end of the audit period, there were 240 accounts listed with missed payments and 81 accounts incorrectly identified as 'under review'. To ensure adequate collection efforts, the Clerk should update the individual accounts noted and, going forward, should review and take appropriate and timely action on all accounts requiring corrective action as required by the Financial Accounting System User's Guide.

**Review Monthly Liability Report****Repeat:** No

The Clerk did not adequately review the automated financial system's monthly liability report, overlooking an error message present for the entire audit period that the liability subsidiary ledger does not agree to the general ledger. The Clerk should resolve the discrepancy between the general and subsidiary ledgers noted during the audit and, going forward, should review all financial reports thoroughly and resolve all discrepancies and errors.

## **-TABLE OF CONTENTS-**

### Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

1-2

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

3-5



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

October 17, 2023

The Honorable Sherri M. Hazlewood  
Clerk of the Circuit Court  
County of Patrick

C. Clayton Kendrick, Jr., Board Chair  
County of Patrick

Audit Period: July 1, 2022 through June 30, 2023  
Court System: County of Patrick

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.

We discussed these comments with the Interim Clerk, and we acknowledge the cooperation extended to us by the Interim Clerk and her staff during this engagement.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LJH:vks

cc: The Honorable Giles Carter Greer, Chief Judge  
Morgan Boothe, Interim Clerk  
Tim Hall, Interim County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia



**PATRICK COUNTY CIRCUIT COURT CLERK'S OFFICE**

**101 West Blue Ridge Street/ P.O. Box 148  
Stuart, VA 24171  
(276) 694-7213**



***Morgan E. Boothe, Interim Clerk***

December 11, 2023

The Auditor of Public Accounts, Stacie A. Henshaw,  
C. Clayton Kendrick, Jr., Board Chair,  
The Honorable Judge Brinks,  
and the Honorable Chief Judge Greer,

**RE:     Audit Period July 1, 2022, through June 30, 2023**

This letter serves as an official corrective action plan and my recommendations after results of our annual audit covering the time period of July 1, 2022, through June 30, 2023. As you well know, Ms. Sherri Hazlewood was Clerk at the time of this audit. However, since being appointed Interim Clerk in November of 2022, I feel I know the corrective action for our short comings. I first would like to mention on behalf of myself and the deputy clerks our appreciation to the auditors for their patience and assistance in assuring that the Patrick County Circuit Court has proper checks and balances. Although very stressful by nature, I always look forward to our audits because I learn something new every single time. The auditors are always very respectful, helpful, and sincere to our unique situations.

In addressing the matter of promptly depositing collections, we always walk our daily deposits to the bank at the same time we check the mail. However, with the chaos of the year, came shortening of personnel; we worked most of the audit period with four employees. For example, on jury trial days, we have two clerks in the courtroom, probate clerk has appointments at ten in the morning and two in the evening, that leaves one clerk manning the entire office. That very well could've been the reason the deposit did not get to the bank the one day. We almost are at full staff for the first time since 2022, and now realize the importance of taking the deposit daily.

In addressing the matter of not submitting claims to the Virginia Department of Taxation for refunds, the previous Clerk was the only one in the office certified to submit these claims. During the months of June to November, there was no one in office that could certify claims. The certification process is complex and time consuming, however I was certified shortly after being appointed Interim Clerk and started submitting claims for tax refunds.



In addressing the matter of not properly collecting probate fees, the filing fees collected for exemplified wills were collected and recorded the same way they had been collected and recorded in this office for 30 plus years, with no issue being found in previous audits. When entering a "copy" of a will it was not understood that the collected fees would not populate correctly in FAS and would require a manual change to amounts in certain financial codes. As the codes only require changing when there is an "out of state" copy of a will and not an "in state" copy of a will, although they are both receipted under "copy." The difference now being understood to be an additional charge for a List of Heirs for out of state wills. The probate clerk has since reached out to the Circuit Court team for clarification on this matter and now has a clearer understanding moving forward.

In addressing the matter of not retaining voided receipts, this was simply human error. We know that we cannot void a receipt without having all three original copies. Going forward we will be positive to ensure all three copies before voiding any transaction.

In addressing the matter of not properly disbursing restitution, this has been an ongoing issue that has not had time to correct itself yet. There are a few criminal cases from the early 2000's that are "joint and several" with multiple co-defendants but cannot be linked in the financial accounting system due to different amounts and victims. This will need to be looked over and may even need a court order to correct. This will be a top priority going into the new year.

In addressing the matter of not correcting accounts listed on the individual status report, cases that were "Under advisement" were left in the "under review" status, and that was a misunderstanding that has since been cleared up. As for the "missed payment" accounts, I have since gotten the automatic TTP setting turned on in the financial accounting system and will be taken care of by the system.


In addressing the matter of not reviewing the automated financial system's monthly liability report, this issue was resolved before the audit was concluded. This error had to be corrected by the Office of Executive Secretary's financial analysts, and to my knowledge occurred due to a systematic error. We will better look for any error messages on this report in the future.

Though this audit was fairly engulfed with findings, I do think it is noteworthy to mention that there were no repeat findings. Last year, and in years past our office has struggled with reconciling bank statements, and properly billing fines and costs. Since implementing an internal audit, I am extremely proud that there were no findings of incorrect fines and costs. I also think it is noteworthy to mention that most of these findings are very easily corrected, and most were corrected as soon as they were caught. Our office has been through reoccurring hardships since June 2022, many changes, new employees, employees leaving without notice, short staffing, etc., I am proud of the hard work and the successes that we have had throughout the turmoil. Nonetheless, I am aware that these checks are crucial to our success. I am confident that with a full staff, and new and continued training of employees, we will find consistency and thus minimal mistakes.

We appreciate the diligent work, tips, and guidance from our auditors to ensure our success and we always look forward to working with them.



Sincerely,  
Signature On File

 Morgan E. Boothe, Interim Clerk  
Patrick County Circuit Court