

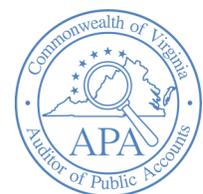


GERALD GOAD
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF CARROLL

FOR THE PERIOD
APRIL 1, 2024 THROUGH MARCH 31, 2025

Auditor of Public Accounts
Staci A. Henshaw, 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 noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Properly Manage and Record Trust Fund Activity

Repeat: Yes (First issued in 2024)

The Clerk does not properly manage and record trust fund activity. We noted the following:

- The Clerk miscoded a trust fund account totaling \$16,534 as Clerk's fees and remitted the funds to the State Treasurer, who has since returned the funds to the Clerk.
- The Clerk delayed investing one trust fund for up to seven months and used his personal funds to reimburse the trust fund for the lost interest as required by § 8.01-600(F) of the Code of Virginia.
- The Clerk did not enter the correct distribution dates for two trust funds in the financial system.
- The bank balance for one of the savings accounts used for trust funds does not agree to what is recorded on the general ledger. We noted a difference of \$14,081.

The Clerk should immediately resolve the noted conditions, and going forward, should timely invest trust funds, accurately record trust fund activity and information in the accounting records, and reconcile all invested accounts with the accounting system monthly.

Properly Monitor and Disburse Liabilities

Repeat: Yes (First issued in 2024)

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$28,760 in liabilities that he should have either paid or escheated. The Clerk should review all the liabilities he is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owners of the funds, 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 and make the necessary entries in the financial system, as recommended by the Financial Accounting System User's Guide.

Establish Receivable Accounts Timely

Repeat: Yes (First issued in 2022)

The Clerk and his staff did not establish receivable accounts timely for 16 of 21 (76%) cases tested. Since the Commonwealth recovers the costs of prosecution when defendants pay the costs the Clerk assesses, the Clerk should establish accounts receivable as soon as possible after conviction, as required by § 19.2-336 of the Code of Virginia.

The court's automated system provides reports, such as the Concluded Cases without Receivables Report, which assists the Clerk in identifying cases that do not have corresponding receivable accounts. The Clerk should request this report for the audit period, review the report, establish any needed accounts, and bill the defendants. Going forward, the Clerk should establish receivable accounts timely in all cases.

Properly Disburse Criminal Bonds

Repeat: No

The Clerk did not properly disburse a \$5,000 criminal bond, refunding it to the defendant rather than the person who posted the bond on the defendant's behalf. When a defendant for whom the Clerk holds a bond has appeared in court and met the conditions of bail, the Clerk should refund the criminal bond to the person who posted it unless that person has authorized the Clerk to use the funds to satisfy fines and costs, as allowed by § 19.2-121 of the Code of Virginia.

Update Individual Receivable Account Status

Repeat: Yes (First issued in 2024)

The Clerk does not monitor and correct accounts listed on the Individual Account Status Report. Currently, there are five credit balance accounts, some of which have been listed for the entire audit period, indicating possible receipting errors or overpayments. The Clerk should update the individual accounts noted during the audit and, going forward, should timely review and take appropriate action on all accounts appearing on the Individual Account Status Report as recommended by the Financial Accounting System User's Guide.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 29, 2025

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

Joey Dickson, Board Chair
County of Carroll

Audit Period: April 1, 2024, through March 31, 2025
Court System: County of Carroll

We have reviewed the financial operations for the office of the Clerk of the Circuit Court for the County of Carroll, for the period noted above, pursuant to § 30-134 of the Code of Virginia. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

The Clerk is responsible 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 information, effectiveness and efficiency of financial 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. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

We noted matters involving internal control and its operation necessary to bring to the Clerk'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 corrective action to remediate the finding that we reported in our previous report that is not repeated in this report.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/vks

cc: The Honorable Kenneth Fleenor, Jr., Chief Judge
Michael Watson, County Administrator
Robyn de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia



CARROLL COUNTY CIRCUIT COURT

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GERALD R. GOAD - CLERK

ggoad@vacourts.gov



Ms. Staci A. Henshaw, CPA, CGMA
Auditor of Public Accounts
Commonwealth of Virginia
101 N. 14th Street, 8th Floor
Richmond, VA 23219

Dear Ms. Henshaw,

This letter serves as an official corrective action plan of our annual audit covering the time period of April 1st, 2024 through March 31st, 2025. I would first like to thank the auditor for his due diligence in enforcing sufficient checks and balances within our judicial system and within our local constitutional office.

I would like to personally address each of the following points and offer our corrective action plan moving forward:

Establish Receivable Accounts Timely – When I go back and audit every case behind our Accounting Technician's duties, there were accounts found that were not set up – therefore created a delay in establishing timely accounts. In the future, we have significantly increased our efforts in making sure all accounts are not missed and auditing costs are done more timely.

Properly Record Trust Fund Activity - This was a training issue with the Accounting Technician and there is now more of a better understanding of the trust fund process moving forward. The personal funds used was less than \$1 of interest owed.

Properly Monitor and Disburse Liabilities – This was a training issue with the Accounting Technician and there is now more of a better understanding of the escheatment process moving forward.

Update Individual Receivable Account Status – The credit balance accounts were from where I audited the fines and costs and were overpayments from where I caught the

errors. Along with the corrective action plan under the first bullet, the Accounting Technician and I will work more timely on having these billing errors fixed.

Properly Disburse Criminal Bonds - This was a training issue with the Accounting Technician and there is now more of a better understanding of the bond disbursement process moving forward.

We tremendously appreciate the cooperation with the auditor, however, please take into account my efforts and immediate correction of these errors as most have already been corrected. I would like to point out that all over numerous areas within my office related to finances such as deed calculations, civil filings, will/estate filings, and other financial duties that no exceptions were found by the auditor.

Sincerely,

Signature on File

Gerald R. Goad, Clerk
Carroll County Circuit Court