



CATHY DALE
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF GLOUCESTER

FOR THE PERIOD
JANUARY 1, 2020 THROUGH DECEMBER 31, 2020

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 the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Court Costs

Repeat: Yes (first issued in 2018)

The former Clerk and her staff did not properly bill and collect court costs. In four of 24 (17%) of cases tested, we noted three cases in which defendants were overcharged a total of \$1,048 for attorney fees and one case in which the defendant was not charged \$500 in psychological evaluation fees. The current Clerk 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.

Properly Monitor and Disburse Liabilities

Repeat: No

The former Clerk did not properly monitor and disburse court liabilities. At the end of the audit period, the court was holding \$41,807 in bonds, escrow funds, restitution, and chancery funds that should have been disbursed or escheated. The current Clerk should disburse the amounts noted and should monitor and disburse liabilities on a monthly basis as recommended by the financial accounting system user's guide. In the case of funds for which the owners cannot be located, the Clerk should escheat them as unclaimed property in accordance with § 55.1-2518 and § 55.1-2524 of 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

January 27, 2021

The Honorable Margaret Walker
Former Clerk of the Circuit Court
County of Gloucester

The Honorable Cathy Dale
Interim Clerk of the Circuit Court
County of Gloucester

Board Chairman, Robert Orth
County of Gloucester

Audit Period: January 1, 2020, through December 31, 2020
Court System: County of Gloucester

We have audited the cash receipts and disbursements of the former 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 Interim Clerk are included as an enclosure to this report.

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

SAH: clj

cc: The Honorable B. Elliott Bondurant, Chief Judge
County Administrator, J. Brent Fedors
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

CIRCUIT COURT OF GLOUCESTER COUNTY
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Gloucester, VA 23061

Cathy L. Dale, Clerk
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Telephone No. 804-693-2502
Fax: 804-693-2186

TO: AUDITOR OF PUBLIC ACCOUNTS

FROM: Cathy L. Dale, Clerk

DATE: February 22, 2021

SUBJECT: January 1, 2020 through December 31, 2020 Audit
of Retiring Clerk, Margaret Walker

In response to the above audit, I offer the following corrective plan:

PROPERLY BILL AND COLLECT COURT COSTS

- Psychological evaluation costs. Costs have been amended in the one case noted to include the psychological evaluation fee of \$500.
- Overcharged court-appointed attorney fees. Costs have been updated and a List of Allowance has been filed on each of the three noted cases.

A system has been implemented to timely assess attorney's fees upon filing of the electronic List of Allowance. When initial costs are assessed and a CC-1351 is issued, the box that indicates it does not include court-appointed attorney fees is checked, highlighted and then presented or mailed to the defendant. A copy of the CC-1351 is maintained in the bookkeeper's file until the List of Allowance has been filed and the case is updated.

PROPERLY MONITOR AND DISBURSE LIABILITIES

- Monitor and Disburse Liabilities. Each of the funds noted in the audit have been tagged for review for disbursement.

The noted liabilities are being reviewed and will be disbursed as required by Virginia Code Sections 55.1-2518 and 55.1-2524.

Thank you for the professional courtesy shown to me and my staff by Mrs. Vaughan.

Respectfully submitted,

Cathy L. Dale

Cathy L. Dale, Clerk