



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

FOR THE PERIOD  
OCTOBER 1, 2021 THROUGH DECEMBER 31, 2022

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.

### **Reconcile Bank Account**

Repeat: No

The Clerk did not reconcile the court's bank accounts for four months of the audit period and did not resolve reconciling items for up to six months. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds.

The Clerk should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

### **Invest Trust Funds Timely**

Repeat: No

The Clerk did not invest \$16,142 in trust funds received during the audit period timely. We noted delays of more than one month. Section 8.01-600 of the Code of Virginia requires the Clerk to invest trust funds within 60 days of the court order establishing the trust fund or become personally liable for any resulting loss of income if not invested in the prescribed period. The Clerk should invest all trust funds in accordance with the Code of Virginia.

### **Properly Bill and Collect Court Costs**

Repeat: No

The Clerk and her staff did not properly bill and collect court fines and costs. In ten of 48 cases tested (21%), we noted the following errors.

- The Clerk overcharged defendants in two cases a total of \$10,700 in court costs.
- For seven cases, the Clerk did not charge defendants a total of \$4,068 in court costs.
- In one case, the Clerk miscoded in the financial system court costs of \$120 as Commonwealth instead of local.

The Clerk and her staff should correct the specific cases noted above, seek additional training in the billing and collection of court costs, and 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 7, 2023

The Honorable Cathy L. Dale  
Clerk of the Circuit Court  
County of Gloucester

Christopher Hutson, Board Chairperson  
County of Gloucester

Audit Period: October 1, 2021, through December 31, 2022  
Court System: County of Gloucester

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 corrective action to remediate the internal control finding that we reported in the previous audit.

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

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

cc: The Honorable Richard H. Rizk, Chief Judge  
Carol Steele, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia



**Cathy L. Dale**  
Clerk

**Commonwealth of Virginia**  
**COUNTY OF GLOUCESTER**  
Clerk's Office – Circuit Court  
7400 Justice Drive, Room 327  
Gloucester, Virginia 23061



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July 11, 2023

Ms. Staci A. Henshaw, CPA  
Auditor of Public Accounts  
Post Office Box 1295  
Richmond, VA 23218

RE: Audit Period: October 1, 2021 through December 30, 2022

Dear Ms. Henshaw:

Thank you for the draft copy of our recent audit report. I would like you to know that the two auditors assigned for our audit were extremely professional and knowledgeable. They are well-versed in the functions and services provided by the Clerk's office. Being a fairly new Clerk, I appreciated their patience and kindness during the course of our audit. They increased my understanding of what is required of me in preparation for audits in the future.

Not only in my capacity as Clerk, but also personally, I take full responsibility for any deficiencies noted. On September 1, 2022, I made the decision to switch banks to get a better rate for the 50+ trust accounts that the Circuit Court manages. This did cause unforeseen struggles in reconciling the bank statements for both Suntrust (now Truist) and Chesapeake Banks. It was a daunting task, but in November, I was finally able to close the Suntrust (now Truist) account. I corrected and balanced all accounts prior to the auditors' arrival. I have reconciled and balanced the monthly bank statements for the 14 years prior to opening the new bank account.

I acknowledge that I failed to invest three (3) trust funds within 60 days as required by § 8.01-600 of the Code of Virginia. Once I received the confidential information required by the Court, I immediately invested the funds in Chesapeake Bank. The loss of income for the three (3) trust funds from July 29, 2022 through November 15, 2022 is \$8.05. I understand that I am responsible for that loss. During my 15-year tenure in the Gloucester Circuit Court, this is the first time I have failed to invest trust fund monies in a timely manner.

Ms. Staci A. Henshaw  
Auditor of Public Accounts  
July 11, 2023  
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I have implemented a new process to assure that I have the required information prior to entry of the Settlement Order. I am certain this is a one-time occurrence.

Of the ten (10) cases brought to my attention regarding Court Fines and Costs, I offer the following:

- Regarding the two (2) List of Allowances and Waiver referencing an overcharge to 2 defendants of \$10,700.00 in attorney fees, I acknowledge the data entry error. After being informed by the auditors, I immediately corrected these 2 cases. I have implemented a checks and balances procedure to assure that future data entries are correct.
- There were seven (7) cases in which the defendants were not charged costs. The total for these costs was \$4,068.00. The cases were immediately corrected. It was of note that the deficiency in some of these accounts occurred when charges for competency evaluations were filed and received prior to the Sentencing. I have implemented a new procedure whereby all charges are noted in the front of the folder when received and then posted appropriately. I am confident that this process will prevent this finding in the future.

Since our audit, I have reviewed the newly implemented procedures with the Deputy Clerks in my office. Subsequently, cases have been randomly chosen for an internal audit and no errors have been found.

I strive for excellence in the performance of my duties as Clerk, as do my Deputy Clerks. I am confident that these new processes will correct the issues associated with our recent audit. I will work to ensure proper internal control and avoid errors.

To the best of my knowledge, this Clerk's office is in compliance with all state laws, regulations and policies.

I wish to express sincere appreciation for the recommendations and services provided to this office.

Respectfully submitted,

[Signature on File](#)

Cathy L. Dale, Clerk  
Gloucester Circuit Court