



LLEZELLE DUGGER
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

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.

Reconcile Bank Account

Repeat: Yes (first issued in 2019)

The Clerk did not reconcile the court's bank account during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and can increase 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.

Properly Assess and Bill Court Costs

Repeat: Yes (first issued in 2013 as Properly Bill and Collect Court Costs)

The Clerk and the Clerk's staff did not properly assess and bill court costs. In eight of 17 cases (47%) tested, we noted the following errors.

- The Clerk did not charge defendants in seven cases a total of \$1,753 in court costs.
- In one case, the Clerk overcharged the defendant a total of \$150 in court costs.

The amounts above are based on actual errors noted within our sample of court transactions, the impact of which we did not project to all transactions of the court. The Clerk and the Clerk's staff should correct the specific cases noted above, seek additional training in the assessment and billing of court costs, and establish a system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should assess and bill court costs in accordance with the Code of Virginia.

Monitor and Disburse Liabilities

Repeat: Yes (first issued in 2024 as Identify and Disburse Unclaimed Liabilities)

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$2,158 in liabilities that she should have either paid or escheated. The Clerk should review all liabilities she is currently holding and disburse, as applicable. If the owners of the funds cannot be located, 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 as recommended by the Financial Accounting System User's Guide.

File Annual Trust Fund Report

Repeat: Yes (first issued in 2020 as Properly Manage and Report Trust Funds)

The Clerk did not file the fiscal year 2024 annual trust fund report with the court as required by § 8.01-600 of the Code of Virginia. The Clerk should immediately file the 2024 report with the court and, going forward, file a trust fund report each year by October 1st as required by the Code of Virginia.

Retain Voided Receipts

Repeat: No

For seven of 15 (47%) voided receipts tested, 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.

-TABLE OF CONTENTS-

| | <u>Pages</u> |
|---|--------------|
| COMMENTS TO MANAGEMENT | |
| AUDIT LETTER | 1-2 |
| CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN | 3-4 |



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 30, 2025

The Honorable Llezelle Dugger
Clerk of the Circuit Court
City of Charlottesville

Juandiego Wade, Mayor
City of Charlottesville

Audit Period: April 1, 2024, through March 31, 2025
Court System: City of Charlottesville

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 findings that we reported in the previous audit that are 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. Hensahw
AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

cc: The Honorable Claude Worrell, II, Chief Judge
Samuel Sanders, Jr., City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

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October 10, 2025

Staci A. Henshaw
Auditor of Public Accounts
101 North 14th Street, 8th Floor
Richmond, VA 23219

RE: Corrective Action Plan
Charlottesville Circuit Court Clerk's Office
Audit Period: April 1, 2024 through March 31, 2025

Dear Ms. Henshaw,

This Corrective Action Plan responds to the Audit Report covering April 1, 2024 through March 31, 2025.

Reconcile Bank Accounts

My office attempts to reconcile our monthly bank statements each month to FAS. The bank balance based on the monthly bank statements have been higher than the balance in FAS. FAS Checking Account 901 and Savings Account 903 were reconciled and closed on FAS this past year and corrected errors posted to 902 which may have distorted the FAS balance. My office is now working with Martin Watts (an expert on FAS) to identify how to reconcile the difference between our actual bank checking account and the FAS checking account balance.

Properly Bill and Collect Court Costs

The accounts in the specified cases have been review and corrected, as needed. Prior to February 2024, there was continuous turnover in my Criminal Division. I now have two excellent Deputy Clerks in my Criminal Division who have provided stability and continuity. Both Deputy Clerks, along with our Bookkeeper, have completed Supreme Court training in this area. In reviewing the system used to minimize the likelihood of billing errors going undetected, it was discovered that the General District Court

paperwork did not always contain fees and/or listed them clearly on the back of the warrants. To minimize missing these costs, my Deputy Clerks are separating the paperwork from the General District Court related to costs (DC-40s/List of Allowances) and indexing/scanning them into our digital files to minimize missing these costs going forward.

Monitor and Disburse Liabilities

As part of the process to close out FAS Accounts 901 and 903, funds were identified that needed to be disbursed as unclaimed and orders to disburse as such have been prepared/signed and funds escheated as unclaimed per statute. All Liabilities, as reflected on the monthly Individual Account Index Report BR08, have been reviewed and FAS updated with the correct "Due date". The BR08 is reviewed monthly and accounts that should be escheated are processed accordingly.

File Annual Trust Fund Report

The Fiscal Year 2025 Annual Trust Fund Report was filed with the Court on September 30, 2025 as required by Va. Code Section 8.01-600. I have put a reminder in my calendar to avoid missing the filing deadline going forward.

The Fiscal Year 2024 Annual Trust Fund Report was filed with the Court on October 10, 2025.

Retain Voided Receipts

The importance of getting all copies of voided receipts has been reiterated with all my Deputy Clerks. When/if all receipt copies are not available and/or cannot be retrieved, appropriate statements are made on the voided receipt(s) as to efforts made to secure all receipt copies.

While audits by their very nature are stressful, the Audit Team was professional and courteous and made every effort not to disrupt the daily flow of business during their audit visit to our office. Please convey my heartfelt thanks to the Audit Team for the manner in which they conducted their business.

Very truly yours,
Signature on File

Liezele Agustin Dugger
Clerk of Court