



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

FOR THE PERIOD  
JULY 1, 2020 THROUGH DECEMBER 31, 2021

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 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 Accounts**

**Repeat:** Yes (first Issued in 2019)

The Clerk did not reconcile two of the court's three checking accounts 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 increases the risk of loss of funds.

The Clerk should immediately reconcile the accounts noted above and, going forward, should perform monthly reconciliations for all accounts upon receiving the bank statements as required by the Financial Accounting System User's Guide.

### **Update Individual Receivable Account Status**

**Repeat:** No

The Clerk does not update and remove restitution receivable accounts from 'sum uncertain' status when applicable. We noted four accounts that the Clerk should have updated and removed from this status remained as 'sum uncertain' for up to 15 months.

The Clerk should update the individual accounts noted during the audit and, going forward, should review and take appropriate and timely action on all restitution accounts in 'sum uncertain' status as recommended by the Financial Accounting System User's Guide.

### **Bill and Collect Probate Taxes**

**Repeat:** Yes (first issued in 2020 as Record Inventories and Collect Taxes)

The Clerk did not bill estates for additional probate taxes when required. In three of six estates tested (50%) that had additional probate tax due, the Clerk did not bill a total of \$305 in probate taxes after receiving the final inventories. Section 58.1-1717 of the Code of Virginia requires the Clerk to compare the probate tax return to the final inventory and bill for additional taxes when applicable.

The Clerk should bill the estates noted during the audit for additional state probate tax due based on the final inventories and, going forward, should establish a procedure to calculate and bill estates for additional taxes when applicable.

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

The Clerk and her staff did not properly bill and collect court costs. In 11 of 63 cases tested (17%), the Clerk did not charge defendants court costs totaling \$4,697. The Clerk should correct the specific cases noted and institute a more diligent 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 Manage and Report Trust Funds****Repeat:** Yes (First issued in 2020)

The Clerk does not properly manage and report trust fund accounts. We noted the Clerk did not invest \$70,863 in trust funds as required by § 8.01-600 of the Code of Virginia, did not record in the financial system \$22,485 in trust fund receipts and \$2,744 in trust fund disbursements, and did not post interest to the trust fund accounts during the audit period. In addition, the Clerk did not file an annual trust fund report with the court for 2021 as required by §8.01-600 of the Code of Virginia.

The Clerk should immediately invest all trust funds not currently invested, record all omitted activity in the financial system, and prepare and file with the court a trust fund report for 2021. Going forward, the Clerk should record all trust fund activity in the accounting system timely and manage and report trust funds in accordance with § 8.01-600 of the Code of Virginia.

## -TABLE OF CONTENTS-

### Pages

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

May 25, 2022

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

J. Lloyd Snook, III, Mayor  
City of Charlottesville

Audit Period: July 1, 2020, through December 31, 2021  
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 response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior report 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 her staff during this engagement.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

LJH: clj

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

**CIRCUIT COURT  
CITY OF CHARLOTTESVILLE**  
315 EAST HIGH STREET  
CHARLOTTESVILLE, VIRGINIA 22902-5195  
(434) 970-3766

**Tracy D. Smith**  
**Anita D. Spivey**  
**Beatrice Bradford**  
**Zamir H. Boboy**  
DEPUTY CLERKS

**Llezelie A. Dugger**  
CLERK  
**David A. Schmidt**  
CHIEF DEPUTY CLERK

**Gwendolyn T. Williams**  
**Dianne P. Pugh**  
**Elizabeth H. Rapi**  
DEPUTY CLERKS

July 7, 2022

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

RE:   Corrective Action Plan  
          Charlottesville Circuit Court Clerk's Office  
          Audit Period: July 1, 2020 through December 31, 2021

Dear Ms. Henshaw,

This Corrective Action Plan responds to the Audit Report covering July 1, 2020 through December 31, 2021.

**Reconcile Bank Accounts**

The two (2) bank accounts at issue shall be reconciled.

**Update Individual Receivable Account Status**

I will update the individual accounts noted during the audit. Going forward, I will review and take appropriate and timely action on all restitution accounts in "sum uncertain" status as recommended by the Financial Accounting System User's Guide.

**Bill and Collect Probate Taxes**

The estates not billed during the audit period shall be billed for additional state and local probate taxes. Going forward, I shall establish a procedure to calculate and bill estates for additional taxes when applicable.

**Properly Bill and Collect Court Costs**

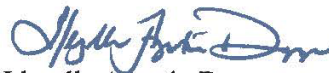
The specific cases noted will be reviewed, and where appropriate, corrected. I shall continue my efforts to train the Deputy Clerks in my Criminal Division in this specific area. It should be noted that this Division has had the most frequent turnover in staff over the last five (5) years largely due to deputies taking higher paying jobs elsewhere.

**Properly Manage and Report Trust Funds**

I shall invest all trust funds not currently invested, record all omitted activity in the financial system, and prepare and file with the Court a trust fund report for 2021 (and subsequent years). Going forward, I shall record all trust fund activity in the financial accounting system in a timely manner. I will also manage and report trust funds in accordance with §8.01-600 of the Code of Virginia.

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,



Llezelle Agustin Dugger  
Clerk of Court