



M. KATIE C. PATTON
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF RUSSELL

FOR THE PERIOD
APRIL 1, 2023 THROUGH SEPTEMBER 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
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COMMENTS TO MANAGEMENT

We noted the following matter 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 Assess and Bill Court Costs

Repeat: Yes (First issued to former Clerk in 2023 as Properly Bill and Collect Court Costs)

The Clerk and the Clerk's staff did not properly assess and bill court costs. In 12 of 44 (27%) cases tested, we noted the following errors.

- The Clerk did not charge defendants in seven cases a total of \$8,685 in court costs.
- In five cases, the Clerk overcharged defendants a total of \$1,116 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.

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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

March 21, 2025

The Honorable M. Katie C. Patton
Clerk of the Circuit Court
County of Russell

David Eaton, Board Chair
County of Russell

Audit Period: April 1, 2023, through September 30, 2024
Court System: County of Russell

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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any written corrective action plan to remediate this matter 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.

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 clj

cc: The Honorable Jack S. Hurley, Chief Judge
Lonzo Lester, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia

Russell County

JUDGES
MICHAEL L. MOORE
BRIAN K. PATTON
JACK S. HURLEY, JR.
RICHARD PATTERSON
REECE H. ROBERTSON



Circuit Court Clerk's Office

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M. KATIE PATTON, CLERK

MACY J. BROWN
KATHY HUFF
LYNN C. MUSICK
CARLEE HORTON
TARRAH STANLEY
ANGELA KISER
KAREN MCGLOTHLIN
LORI STILWELL DYE

April 9, 2025

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

In Re: Corrective Plan in Response to April 1, 2023-June 30, 2024, Audit

Dear Ms. Henshaw:

I want to give some background information regarding my first year as the Russell County Circuit Court Clerk. I assumed the office of Circuit Court Clerk on January 1, 2024. When I began my duties as Clerk, the only two people who had performed both in-court and out-of-court criminal duties were no longer employed in the office. I have since trained two full-time staff along with myself who are responsible for processing and maintaining the criminal docket. Also, when I assumed office the employee who was responsible for accounting and financial duties had only been in her position since March 2022. As such, my staff, including myself, was very new to our respective positions during the applicable audit period. Another issue that existed when I assumed office was there was very little cross-training, which for an office the size of Russell County, left a lack of proper checks and balances. During my first year as Clerk, I hired five people for an office of nine. No with a fully staffed office, we have managed to do extensive cross-training which gives employees safeguards and backups for all work performed. Below I will address the audit findings and the issues that lead to those findings in turn.

The Clerk did not properly assess costs:

The two issues presented by the auditor on this office's failure to properly assess costs to criminal defendants were a failure to assess jury costs to a criminal defendant who was convicted and a failure to assess all the required costs associated with a psychological evaluation.

The reason the amount of costs which were not properly collected are such a high amount stems from the failure to assess jury costs to a defendant who had a five-day jury trial. The jury costs were higher than most of the one-to-two-day jury trials that Russell County has. I reviewed the case management records and prior to the jury trial which began on January 22, 2024, which occurred twenty-two days after I took office, there had only been three jury trials which had occurred since the current accountant had been in her position. In the last such case the defendant was found not guilty, therefore jury costs were not applicable. To correct this mistake from occurring again, we have reformatted our in court criminal information sheets to include "jury" as a hearing type and placed a box at the top to contain when the sentencing will occur for any jury trial. These sheets are always given to the accountant who then applies costs. Deputy clerks, as well as myself, are also verbally informing the accountant of any jury trials and advising her of the sentencing date so that she can calendar that date with the information to add jury costs. I, as a clerk will also review the account in FAS after a sentencing event resulting from a jury trial to ascertain that the proper costs have been assessed. Finally, we have added the applicable jury costs to the defendant, so they may be properly collected.

The second issue involved failing to properly assess fees in connection with a psychological evaluation. The deputy clerk who has been responsible for this duty is the same deputy clerk who processes all of the DC-40s (list of allowances) The difficulty is that this deputy clerk does not have any other responsibilities regarding the criminal docket and is often unaware of the day-to-day transactions and is also not the accountant who is responsible for assessing all other criminal costs. To resolve this situation, we are also adding a section on our criminal information sheets that will state whether a psychological evaluation has been ordered. If the sheet reflects that there is a psychosocial evaluation and it was performed at either the general district court or juvenile and domestic relations court level, then, the accountant will assess the proper costs. The two deputy clerks handling the criminal docket will attach the applicable information sheets from the lower court to the criminal information sheets to make sure the accountant receives the correct information. If the accountant receives the criminal information sheet and it reflects

that a psychological evaluation was ordered, but there is not information from a lower court, then she will make a copy of the sheet to give to the deputy clerk who processes the DC-40s thereby providing notice that she should be receiving a DC-40 soon. Both the accountant and the deputy clerk will set calendar reminders to follow up if a DC-40 is not received promptly following the sentencing event. Finally, we have added the applicable psychological evaluation costs to the defendant, so they may be properly collected.

The last issue regarding costs was the over assessment of costs. This resulted from assessing costs for the order of DNA sample as a result of a felony conviction. The two deputy clerks responsible for processing criminal paperwork were unaware that when they receive paperwork back from the agency responsible for taking DNA from a criminal defendant that if there was a notation on the order that the defendant had already submitted a DNA sample that they should have notified the accountant to remove the costs associated with a DNA order. All deputy clerks who process criminal paperwork are now aware of this responsibility and will ensure this is not overcharged in the future. We have also signed an agreement for an account with the Virginia Department of Forensic Science DNA Data Bank so we can verify whether a defendant will need a DNA order prior to his or her sentencing. Finally, we have deducted the amount overcharged on each defendant's case.

I appreciate your time and attention in this matter, as always, my staff and I are open to training opportunities that will enhance our performance and service to the public.

Sincerely,
Signature on File

Katie Patton, Clerk
Russell County Circuit Court