



SHERRI M. HAZLEWOOD
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF PATRICK

FOR THE PERIOD
APRIL 1, 2019 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 have led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Court Fines and Costs

Repeat: No

The Clerk and her staff did not properly bill and collect court fines and costs. In six of 28 cases tested (21%), we noted the following:

- Fines and costs of \$679 for three cases were miscoded in the financial system as local instead of Commonwealth.
- Defendants in three cases were overcharged \$450 in court costs.
- The defendant in one case was not charged for \$250 in fines.
- In one case, the recorded judgment against the defendant was not released after the court costs were paid.

The Clerk and her staff 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.

Reconcile Bank Account

Repeat: No

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 increases the risk of loss of funds. The Clerk should perform complete monthly bank reconciliations upon receiving the bank statements as required by the court's financial system user's guide.

Update Payment Plan Policy

Repeat: No

The Clerk has not updated the court's official payment plan policy as required by 19.2-354 of the Code of Virginia. Updating and posting this information in the Clerk's Office and on the court's website, ensures that defendants are aware of the court's payment plan policies and aids in maximizing collection efforts. The Clerk should update and post the court's approved payment plan 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 12, 2021

The Honorable Sherri M. Hazlewood
Clerk of the Circuit Court
County of Patrick

Crystal P. Harris, Board Chairperson
County of Patrick

Audit Period: April 1, 2019, through December 31, 2020
Court System: County of Patrick

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 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 Clerk are included as an enclosure to 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

SAH: clj

cc: The Honorable G. Carter Greer, Chief Judge
Geri S. Hazelwood, County Administrator
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



PATRICK COUNTY CIRCUIT COURT
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SHERRI M. HAZLEWOOD, CLERK
April 6, 2021

Ms. Staci A. Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

The effect of the audit of the Patrick County Circuit Court Clerk's Office has required that a corrective action plan be outlined regarding the management issues raised in connection with the assessment of fines and costs, reconciliation of bank statements and updating the official payment plan policy of the court.

Further training of new employees has been implemented in order to assure that they have a clear understanding of billing and collecting court costs in accordance with the Code of Virginia. In addition, assessments are being reviewed by senior staff to ensure accuracy prior to entry into the Financial Accounting System.

Prior to the audit, the Circuit Team at the Supreme Court was contacted for guidance in reconciling the bank statements. Multiple issues were created in July, 2020 when the local branch of Suntrust closed, forcing the need to maintain two bank accounts during the transition to allow for outstanding checks. The process was further complicated by difficulties encountered in transferring credit card deposits to the new account. These problems have since been addressed and corrected with my credit card vendor, Elavon, and bank statements are being reconciled upon receipt as required by the court's financial system user's guide.

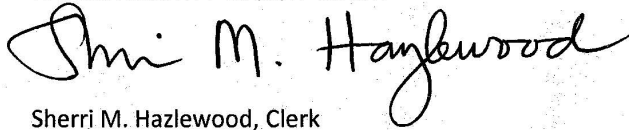
The court's official payment plan policy was updated on March 18, 2021 and is now posted on the court website as required by 19.2-354 of the Code of Virginia.

It is noteworthy to mention that the audit period spanned a time period in which the criminal caseload was the highest ever for this office. In June of 2019, the largest drug eradication effort ever conducted in Patrick County resulted in 582 indictments being presented to a special grand jury. Other special investigations that same year further increased the workload to an abnormally high level. Also important to consider is that I accepted the resignation of a ten year employee on March 22, 2019 and on October 1st that same year my probate clerk and bookkeeper retired after thirty years of dedicated service.

I am confident that with the continued training of new employees, a more normal and consistent workload and implementation of the procedures outlined above that this office will operate on a much higher level of efficiency than was indicated by the audit of this particular time period. It is for this reason that I respectfully ask that these findings be addressed verbally and not as written management points.

Sincerely,

PATRICK COUNTY CIRCUIT COURT

A handwritten signature in black ink that reads "Sherri M. Hazlewood". The signature is written in a cursive, flowing style with a large initial 'S'.

Sherri M. Hazlewood, Clerk