



LINDA BATCHELOR SMITH
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF HAMPTON

FOR THE PERIOD
JANUARY 1, 2020 THROUGH MARCH 31, 2021

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.

Bill and Collect Probate Taxes

Repeat: No

The Clerk does not bill estates for additional probate taxes when required. In all four estates tested that had additional probate tax due, the Clerk did not bill a total of \$461 in probate taxes after receiving the final inventories. Code of Virginia § 58.1-1717 requires the Clerk to compare the probate tax return to the final inventory and bill for additional taxes when applicable. The outstanding taxes owed to the Clerk for these inventories represent a loss of revenue to the Commonwealth.

The Clerk should bill the estates noted above for additional state probate tax due based on the final inventories and should ensure there is a procedure in place to calculate and bill estates for additional taxes when final inventories are received in the future.

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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

October 8, 2021

The Honorable Linda Batchelor Smith
Clerk of the Circuit Court
City of Hampton

Donnie Tuck, Mayor
City of Hampton

Audit Period: January 1, 2020, through March 31, 2021
Court System: City of Hampton

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 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. The Clerk did not provide a corrective action plan to include as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control findings reported in the prior year.

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 Michael A. Gaten, Chief Judge
Mary Bunting, City Manager
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