Audit Report

Office of the Clerk of Circuit Court
Talbot County, Maryland

August 2026

OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

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Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

August 31, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Office of the Clerk of Circuit Court for Talbot County, Maryland for the period beginning May 16, 2022 and ending April 30, 2026. The Office performs various functions for the public, including maintaining various legal records, recording certain real estate documents, collecting related fees and taxes, and issuing certain licenses.

Our audit disclosed that the Office did not ensure that certain criminal case dispositions were accurately recorded on the automated court system. According to the Judiciary's records, there were 346 criminal cases closed during fiscal year 2025.

The Judiciary's response to this audit, on behalf of the Office, is included as an appendix to this report. We have reviewed the response to our finding and related recommendations, and have concluded that the corrective actions identified are sufficient to address all issues.

We wish to acknowledge the cooperation extended to us during the audit by the Office.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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Background Information

Agency Responsibilities

The Office performs a variety of functions for the public such as filing, docketing, and maintaining various legal records; recording documents involving title to real estate; collecting the related fees, commissions, and taxes; and issuing certain licenses. In performing these functions, the Office collects funds on behalf of the State, Talbot County and its incorporated municipalities, and others, and subsequently distributes the funds collected to the applicable entities.

Financial Information

According to the State's accounting records, the Office's fiscal year 2025 revenues totaled $12,604,408. These revenues were distributed in the following manner:

- $6,042,967 was distributed to Talbot County and its incorporated municipalities,
- $22,705 was distributed to others, and
- $6,538,736 (the remaining amount) represented revenues available to the State for purposes specified in various provisions of State law.

The majority of the Office's fiscal year 2025 expenditures, which totaled $1,425,977 (see Figure 1), were salaries and wages that were paid primarily from a general fund appropriation.

The Office also maintained custody of certain trust funds and special purpose funds that, according to its records, had balances totaling $76,480 as of March 31, 2026.

Figure 1
Office of the Clerk of Circuit Court for Talbot County
Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	12
Vacant	0
Total	**12**

Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	$1,393,756
Operating Expenses	32,221
Total	**$1,425,977**

Fiscal Year 2025 Funding Source	
	Funding
General Fund	$1,073,332
Special Fund	325,324
Reimbursable Fund	27,321
Total	**$1,425,977**

Source: State financial and personnel records

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the one finding contained in our preceding audit report dated November 1, 2022. See Figure 2 for the results of our review.

Figure 2
Status of Preceding Finding

Preceding Finding	Finding Description	Implementation Status
Finding 1	Collections were not always controlled and independently verified to subsequent deposit.	Not repeated

Findings and Recommendations

Criminal Court Case Dispositions

Finding 1
The Office did not ensure certain criminal case dispositions were accurately recorded on the automated court system.

Analysis
The Office did not ensure certain criminal case dispositions were accurately recorded on the automated court system. The courtroom clerk manually recorded the case disposition on various documents that are used to update the Maryland Electronic Courts (MDEC) system. According to the Judiciary's records, there were 346 criminal cases closed during fiscal year 2025.

Our review disclosed that the Office did not routinely use independent source documentation, such as courtroom recordings, to ensure case dispositions were accurately recorded in MDEC except for cases that included a judgement for probation.[1] Rather, supervisory personnel generally relied on the initial record manually prepared by the courtroom clerk to ensure that information was accurately recorded in MDEC. This process would not identify potential discrepancies from the actual court disposition to those recorded by the courtroom clerk since independent source documentation was not used.

Our test of ten criminal court cases,[2] including two not involving probation, disclosed that the disposition of each case was accurately recorded in MDEC. Since the aforementioned information is critical for public safety, it is incumbent on the Office to ensure the information is accurate and properly communicated, as required.

In February 2026, shortly before the start of our fieldwork, the Judiciary issued guidance to all Clerk's Offices recommending a regular independent review of at least ten percent of criminal and civil cases using courtroom recordings.

Recommendation 1
We recommend that the Office ensure court dispositions recorded in MDEC are verified by supervisory personnel, at least on a test basis, to independent source documents (such as courtroom recordings).

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[1] The Office could not readily identify how many of the aforementioned 346 cases did not include probation due to MDEC reporting limitations.
[2] Case records were selected based on the case disposition, complexity of the case record, case type, and date of the disposition.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Office of the Clerk of Circuit Court for Talbot County, Maryland for the period beginning May 16, 2022 and ending April 30, 2026. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Office's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included cash receipts (including taxes and fees collected for real estate transactions), certain payroll activities, bank accounts, and certain court activities. We also determined the status of the finding contained in our preceding audit report.

Our audit did not include a review of certain support services provided to the Office by the Administrative Office of the Courts. These support services (such as human resources and payroll activities, invoice processing, and maintenance of budgetary accounting records) are included within the scope of our audits of the Judiciary.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of May 16, 2022 to April 30, 2026, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of the Office's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from the Office's court record systems for the purposes of testing certain areas, such as court activities. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

The Office's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to the Office, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes a finding relating to a condition that we consider to be a significant deficiency in the design or operation of internal control that could adversely affect the Office's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Other less significant findings were communicated to the Office that did not warrant inclusion in this report.

The response from the Judiciary, on behalf of the Office, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Judiciary regarding the results of our review of its response.

KATHLEEN M. DUVALL, CLERK

TALBOT COUNTY CIRCUIT COURT
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Easton, MD 21601
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August 26, 2026

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore, Maryland 21201

Dear Mr. Tanen:

We have received the draft audit report pertaining to the Talbot County Circuit Court Clerk's Office for the period May 16, 2022 to April 30, 2026. The attached document contains our responses to the findings and recommendations in the audit report.

We believe we have responded in full to the findings and recommendations.

Sincerely,

Judy K. Rupp
State Court Administrator

Kathleen Duvall
Clerk of the Circuit Court for
Talbot County

Office of the Clerk of Circuit Court
Talbot County, Maryland

Agency Response Form

Criminal Court Case Dispositions

Finding 1
The Office did not ensure certain criminal case dispositions were accurately recorded on the automated court system.

We recommend that the Office ensure court dispositions recorded in MDEC are verified by supervisory personnel, at least on a test basis, to independent source documents (such as courtroom recordings).

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	No additional comments.		
Recommendation 1	Agree	**Estimated Completion Date:**	8/3/2026
Please provide details of corrective action or explain disagreement.	**As of 8/3/2026 we have been verifying criminal case dispositions and sentences utilizing CourtSmart, or other independent source documents as part of our 10% supervisory review that we routinely perform. We will continue with this practice moving forward.**		

Audit Team

James J. Podhorniak, CPA, CFE
Audit Manager

Johanna K. Bachman, CIA, CFE
Senior Auditor