



SHARON N. JONES
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF ISLE OF WIGHT

FOR THE PERIOD
APRIL 1, 2018 THROUGH MARCH 31, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(804) 225-3350



COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Bill and Collect Court Costs

Repeat: No

The Clerk and her staff did not properly bill and collect costs for psychological evaluations. In three of six cases tested, costs of \$2,250 were not assessed to defendants. The Clerk should correct the specific cases noted and work with staff to ensure defendants are billed all appropriate costs upon conviction in accordance with the Code of Virginia.

We noted the following matter involving internal control and its operation that has led or could lead to noncompliance with laws and regulations.

Obtain Appropriation and Deduct Payroll Taxes For Bonuses

Repeat: No

The Clerk paid bonuses directly to her employees using non-reverting funds, without an appropriation and without deducting the applicable federal, state, social security, and Medicare taxes.

The Clerk should work with the County to have funds appropriated for staff bonuses. In addition, the Clerk should consult with the County to determine how to ensure the taxes that should have been withheld can be recovered and remitted to the proper taxing authorities. In the future, the Clerk should ensure there is an appropriation for any proposed bonuses prior to payment and have the County disburse the bonuses to ensure appropriate taxes are withheld.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 1, 2019

The Honorable Sharon N. Jones
Clerk of the Circuit Court
County of Isle of Wight

William M. McCarty, Chairman Board of Supervisors
County of Isle of Wight

Audit Period: April 1, 2018 through March 31, 2019
Court System: County of Isle of Wight

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.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Carl Edward Eason, Jr., Chief Judge
Randy R. Keaton, 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



CLERK'S OFFICE

Circuit Court of Isle of Wight County

SHARON N. JONES, CLERK

P.O. Box 110

ISLE OF WIGHT, VIRGINIA 23397

(757) 365-6233



July 11, 2019

Ms. Martha Mavredes
Auditor of Public Accounts
Commonwealth of Virginia
101 North 14th Street, 8th Floor
Richmond VA 23219

Re: Audit Report for Isle of Wight County
Circuit Court Clerk's Office
July 2019

Dear Ms. Mavredes:

In response to the two findings in the audit conducted by Katherine St. Lawrence, please see below:

Obtain Appropriation and Deduct Payroll Taxes for Bonuses

I had several meetings with the Budget & Finance Director, Human Resources Director, and the County Administrator. The Budget & Finance Director understood what I wanted to do, and there was no problem there. I am not clear as to why I had to meet with the Human Resource Director and County Administrator, but as a result of that, the County Administrator informed me that they would not allow the County Treasurer to receive a check from this office with instructions on pay out for the purpose of withholding the taxes. After much frustration, I decided to handle it in-house.

The staff was required to sign a statement, individually, citing that no 1099 form would be prepared but that they were responsible to report said bonus for tax purposes. Also cited in said agreement was that this was not to be expected every year, but only at the discretion of the Clerk. Due to the lack of understanding of non-reverting funds in the Clerk's Office, I do not believe there would be any cooperation with the County to recover the taxes, and, as I stated, my staff was instructed to report said bonuses.

Properly Bill and Collect Court Costs

The Clerk and staff have resolved the matters concerning collecting costs for psychological evaluations in the six cases tested, as follows:

1 case – costs already paid in full

2 cases – we have added the costs for psychological evaluations to their assessed costs

2 cases – still pending trial, so a note has been made to be sure to include said costs

1 case – nolle prosequi, so no costs assessed

The procedure, which has been in place for many years now, is that the Chief Deputy Clerk, who is the “bookkeeper” (FAS person), checks each day after court, the costs entered by the court deputy to ensure that all codes are entered correctly, and that all costs have been assessed. If not, the Chief Deputy meets with the court deputy to resolve the issues.

If there are any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "Sharon N. Jones". The signature is fluid and cursive, with the first name "Sharon" and last name "Jones" clearly distinguishable.

Sharon N. Jones
Clerk

snj