



KATHLEEN S. TORRENCE  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF ISLE OF WIGHT

FOR THE PERIOD  
APRIL 1, 2019 THROUGH SEPTEMBER 30, 2020

Auditor of Public Accounts  
Staci A. Henshaw, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350



## 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.

### **Obtain Appropriation and Deduct Payroll Taxes for Bonuses**

**Repeat:** Yes (first issued in 2019)

The former 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 current 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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Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

January 4, 2021

The Honorable Kathleen S. Torrence  
Clerk of the Circuit Court  
County of Isle of Wight

Joel C. Acree, Chairman Board of Supervisors  
County of Isle of Wight

Audit Period: April 1, 2019, through September 30, 2020  
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 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 response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the other internal control finding reported in the prior year that is not repeated in this letter.

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 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**

KATHLEEN S. TORRENCE, CLERK

P.O. Box 110

ISLE OF WIGHT, VIRGINIA 23397

(757) 365-6233



January 28, 2021

Ms. Staci A. Henshaw  
Auditor of Public Accounts  
Commonwealth of Virginia  
101 North 14<sup>th</sup> Street, 8<sup>th</sup> Floor  
P. O. Box 1295  
Richmond, VA 23218

Re: Audit Report for Isle of Wight County  
Circuit Court Clerk's Office  
January 2021

Dear Ms. Henshaw:

Please see below for Clerk's response to the finding in the audit conducted for the period of April 1, 2019 through September 30, 2020:

Obtain Appropriation and Deduct Payroll Taxes for Bonuses

The finding noted was performed by the former Clerk. I will make every effort to consult with the County Budget and Finance Department to determine how, if possible, to recover and remit those taxes not deducted from the bonuses paid.

In the future, before any such bonus is paid by the Clerk, I will ensure that guidelines are followed and there is an appropriation by the County prior to payment to have appropriate taxes withheld.

Should there be any questions regarding this response, please call me.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen S. Torrence".

Kathleen S. Torrence, Clerk