



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

FOR THE PERIOD  
OCTOBER 1, 2020 THROUGH MARCH 31, 2022

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 matters involving internal control and its operation that has led or could lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

### **Properly Monitor and Disburse Liabilities**

**Repeat:** No

The Clerk does not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$18,948 in restitution that she should have either paid out to crime victims or escheated. The Clerk should disburse or escheat the amounts noted and, going forward, should monitor and disburse liabilities monthly and escheat unclaimed funds at least yearly as recommended by the Financial Management User's Guide.

### **Retain Voided Receipts**

**Repeat:** No

For six of ten voided receipts tested (60%), the Clerk did not retain all copies of the receipt. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should not void receipts without maintaining all copies of the receipt. Additionally, the Clerk should ensure the staff are properly trained to perform appropriate journal entries rather than unnecessarily voiding receipts.

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# Commonwealth of Virginia

## Auditor of Public Accounts

Staci A. Henshaw, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

August 4, 2022

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

Rudolph Jefferson  
Board Chairman  
County of Isle of Wight

Audit Period: October 1, 2020, to March 31, 2022  
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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's 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 is included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control finding we reported in the previous audit.

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

LJH:vks

cc: The Honorable Carl E. Eason, Jr., Chief Judge  
Randy Keaton, County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia



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



August 31, 2022

Ms. Staci A. Henshaw, CPA  
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

Dear Ms. Henshaw:

Please see below for Clerk's response to the findings in the audit conducted for the period October 1, 2020 to March 31, 2022:

Properly Monitor and Disburse Liabilities

The Clerk does monitor and disburse liabilities each year as code directs, following instructions in the OES manual. The majority of the funds noted are from cases that have been escheated in the past and accounts are still receiving payments. These accounts are not on the yearly unclaimed BR16 report. These funds noted will be escheated in the November 2022 unclaimed reporting. The bookkeeper and Clerk, going forward, will use the BR08 report in addition to the yearly BR16 report to monitor accounts and escheat unclaimed funds for all accounts for which a victim is unknown or can not be located. Liability accounts are disbursed monthly when a victim with a valid address is known.

Retain Voided Receipts

Two of the voided receipt copies (one of which was a duplicate internal receipt for end of day FAS transfer of Logan Systems funds) were in the daily receipts that are destroyed upon monthly

balancing of the office account. The other four receipts were from concealed weapon applications filed in the incorrect locality. Staff have been instructed to be more diligent in monitoring CHP applications to ensure that applications are filed in the correct locality. Staff have been properly trained to make every effort to not void a transaction. The bookkeeper and Clerk will ensure that journal entries and refunds are done instead of voids if possible and if not, will ensure that all copies of voided receipts are properly maintained.

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

Sincerely,

[Signature on File](#)

Kathleen S. Torrence, Clerk