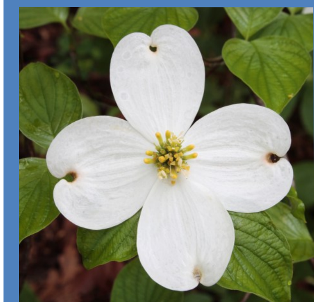


JANET HIX

CLERK OF THE CIRCUIT COURT

FOR THE

COUNTY OF APPOMATTOX

FOR THE PERIOD

APRIL 1, 2025 THROUGH MARCH 31, 2026

Auditor of Public Accounts
Staci A. Henshaw, CPA
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, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Promptly Allocate Tax Set-Off Revenues
Repeat: No

The Clerk did not allocate tax set-off collections promptly. In two of seven (29%) receipts tested, the Clerk held tax refunds for up to seven weeks before allocating them to defendants' accounts. Courts recover some delinquent fines and costs through the Department of Taxation Set-Off Collection Program. Upon receipt, clerks record tax set-off collections in one general ledger account. The clerks must then credit the defendants' individual accounts before the Commonwealth and locality can recognize the revenues and ensure appropriate collection activity and interest accrual. The Clerk should allocate tax setoff collections immediately upon receipt.

-TABLE OF CONTENTS-

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 28, 2026

The Honorable Janet Hix
Clerk of the Circuit Court
County of Appomattox

John Hinkle, Board Chair
County of Appomattox

Review Period: April 1, 2025, through March 31, 2026
Court System: County of Appomattox

We have reviewed the financial operations for the office of the Clerk of the Circuit Court for the County of Appomattox, for the period noted above, pursuant to § 30-134 of the Code of Virginia. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

The Clerk is responsible 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 information, effectiveness and efficiency of financial 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. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

We noted a matter involving internal control and its operation necessary to bring to the Clerk's attention. The matter is discussed in the section titled Comments to Management. Any written corrective action plan to remediate this matter provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether it adequately addresses the issues in this report.

The Clerk has taken corrective action to remediate the finding that we communicated in our previous report.

We discussed this comment with the Clerk, and we acknowledge the cooperation extended to us by the Clerk and the Clerk's staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH:vks

cc: The Honorable Donald Blessing, Chief Judge
Susan Adams, County Administrator
Robyn de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia

CLERK'S OFFICE

Circuit Court of Appomattox County

JANET A. HIX, CLERK

P.O. BOX 672

APPOMATTOX, VIRGINIA 24522

(434) 352-5275

FAX (434) 352-2781

Hon. Donald C. Blessing
Hon. J. William Watson, Jr.
Hon. Robert H. Morrison
Hon. Calvin S. Spencer, Jr.
Judges

September 11, 2026

Staci A. Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218-1295

RE: Clerk's Response and Corrective Action Plan
Audit Period: April 1, 2025 – March 31, 2026

Dear Ms. Henshaw:

The purpose of this letter is to formally address the item cited in your Audit Report for the audit period referenced above. This office diligently seeks to perform all duties mandated by the Code of Virginia in accordance with recommended procedures in the most efficient, cost-effective manner while maintaining the best possible service to the citizens of Appomattox County. I offer the following explanation and corrective action plan in response to the Comments to Management cited in your audit report:

<u>Promptly Allocate Tax Set-Off Revenues</u>

The Virginia Tax Setoff Debt Collection Act was enacted as a collection tool to the Courts to collect for outstanding and delinquent court costs and fines due to the Commonwealth of Virginia. This allows the Virginia Department of Taxation to intercept Virginia income tax refunds or lottery winnings to be applied towards these outstanding obligations owed to the Commonwealth.

Attached as Exhibit A, is the Financial Accounting System (FAS) Manual on Tax Set-Off Procedures. This Manual is a resource for Clerks and staff and provides guidance on how to handle this procedure. Nowhere in this Manual mentions a direct timeframe to post funds received from the Department of Taxation to an individual's account. The Manual merely states "post the payment to the individual account upon receipt of check".

Senior Auditor Lindsey Tatum reported to this Clerk that the timeline to post these funds is within two (2) days of receipt of payment from the Commonwealth of Virginia, Department of Taxation. This Clerk was not aware of this requirement nor is this stated in the FAS Manual of Tax Set-Off Procedures. Auditor Tatum reported that this requirement is found in the FAS Manual under "Daily Closing Procedures".

During this audit period, this Court intercepted funds that required a total of seventeen (17) Journal Vouchers to be performed to credit the individual for the funds collected by the Department of Taxation. There were two (2) checks out of a total of eight (8) checks received by this office which were not posted in a timely manner according to the audit results. During this audit period, the Clerk was the only individual responsible for posting these Journal Vouchers after staff receipted the funds received.

Corrective Action Plan

Since the Clerk was notified of this issue on July 22, 2026, one (1) additional check has been received from the Commonwealth of Virginia, Department of Taxation. The Journal Voucher was posted the next business day after payment was receipted.

This Clerk has brought this finding to staff's attention and training has taken place for another employee, who also has financial access, to handle the Journal Vouchers in the future. In the past, staff would place the receipt, along with Tax Set-Off paperwork in the Clerk's tray and the Clerk would review the paperwork in this tray as time allowed. Going forward, the Clerk will continue to monitor and allocate tax set-off funds in a timely manner, in full compliance with APA audit requirements. The Clerk has now implemented enhanced monitoring to ensure timely allocation. Staff will now give the paperwork directly to the Clerk who will maintain this paperwork in a secure location overnight. The next day the Clerk will perform the Journal Voucher posting or delegate this task to another employee to make sure it is completed in a timely fashion.

This Clerk will also reach out to the Department of Judicial Services that is responsible for writing the Financial Accounting System (FAS) Manual on Tax Set-Off Procedures. This Clerk will request that this Manual be updated to reflect the timelines involved with this procedure so that all Clerks (newly elected and experienced) along with staffing will be aware of the two (2) day timeline to post these payments to an individual's account.

This Clerk respectfully requests that a warning rather than a management finding be issued since this Clerk has taken corrective measures to prevent this issue in the future and due to the current Tax Set-Off Procedures Manual not containing the direct timeline of two (2) days for crediting an individual. If this same problem re-occurred in the future, a management finding could then be issued due to non-compliance. This Clerk continuously and diligently seeks to obtain positive audits and takes any findings found seriously and to heart.

Lastly, I appreciate the professionalism and courtesy extended to this office by Senior Auditor Lindsey Tatum and I look forward to working with her again in the future.

Respectfully Submitted,

Signature on File

Janet A. Hix, Clerk

/jh

Attachment – Exhibit A