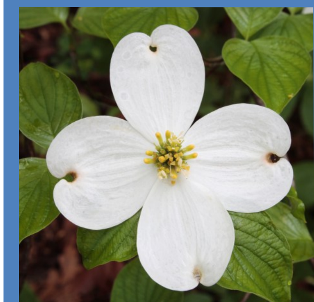


DEZARAH HALL

CLERK OF THE CIRCUIT COURT

FOR THE

COUNTY OF WISE CITY OF NORTON

FOR THE PERIOD

JANUARY 1, 2025 THROUGH DECEMBER 31, 2025

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

COMMENTS TO MANAGEMENT

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

Reconcile Bank Account
Repeat: No

The Clerk did not reconcile the court's bank accounts during the audit period. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. The Clerk should immediately reconcile the court's bank account and, going forward, should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

Promptly Allocate Tax Set-Off Revenues
Repeat: No

The Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding $2,323 in tax refunds that she should have allocated to defendants' accounts upon receipt, which was over three months prior to our audit. 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 the amount noted during the audit and, going forward, should allocate tax setoff collections immediately upon receipt.

-T A B L E O F C O N T E N T S-

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 28, 2026

The Honorable Dezarah Hall
Clerk of the Circuit Court
County of Wise/City of Norton

J. H. Rivers, Board Chair
County of Wise/City of Norton

Review Period: January 1, 2025, through December 31, 2025
Court System: County of Wise/City of Norton

We have reviewed the financial operations for the office of the Clerk of the Circuit Court for the County of Wise/City of Norton, 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 matters involving internal control and its operation necessary to bring to the Clerk's attention. The matters are discussed in the section titled Comments to Management. Any written corrective action plan to remediate these matters 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.

We discussed these comments 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/clj

cc: The Honorable Ronald Elkins, Chief Judge
Karen Mullins, Interim County Administrator
Robyn de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia

WISE COUNTY AND CITY OF NORTON
CLERK OF CIRCUIT COURT OFFICE
DEZARAH JESSEE HALL

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P.O. BOX 1248
WISE, VA 24293-1248

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September 8, 2026

Staci A. Henshaw
Auditor of Public Accounts

RE: Corrective Action Plan
Wise County/City of Norton Circuit Court Clerk's Office
Audit Period: January 1, 2025, through December 31, 2025

Dear Ms. Henshaw,

This Corrective Action Plan responds to the Audit Report covering January 1, 2025, through December 31, 2025.

The Wise County and City of Norton Circuit Court Clerk's Office appreciates the audit process and the opportunity to address the matters identified regarding internal controls and fiscal accountability. After the previous audit had been completed and passed, I personally identified discrepancies in the records while reviewing the office's financial activity. These discrepancies related to transactions and records handled by an employee who had been employed in the office for several years. Upon discovering the discrepancies, I took the initiative to request an additional audit so that the records could be thoroughly reviewed and any issues could be properly addressed. The employee in question is no longer employed in Wise County and City of Norton's Circuit Court Clerk's Office.

Reconcile Bank Account

During the previous administration, the Clerk's office maintained two separate bank accounts, accounts 904 and 906. As part of our efforts to strengthen internal controls and simplify the reconciliation process, we have combined these accounts into one bank account, which is now account 901.

The consolidation of the accounts provides for greater oversight of the court's funds and allows our office to more efficiently monitor and reconcile the account. My office attempts to reconcile our monthly bank statements each month to FAS. We have reinforced a procedure to reconcile the bank account on a monthly basis upon receipt of the bank statement, in accordance with the Financial Accounting System User's Guide.

We recognize that timely and complete bank reconciliations are essential to internal control. Going forward, our office will continue to perform monthly reconciliations and promptly investigate and resolve any reconciling items or discrepancies that may arise.

Promptly Allocate Tax Set-Off Revenues

My office has taken immediate corrective action regarding the tax set-off collections identified during the audit. The tax set-off funds noted in the audit have been properly allocated and paid out. Going forward, our office will allocate tax set-off collections promptly upon receipt and ensure that the funds are properly credited to the appropriate defendants' accounts.

We have also reinforced monthly bank reconciliations and consolidated the previous two bank accounts into one account to strengthen our internal controls and provide for more effective oversight of court funds. We are committed to maintaining accurate financial records, protecting public funds, and ensuring compliance with all applicable requirements.

Thank you for the guidance provided through the audit process. I will continue to take the necessary steps to strengthen my office's internal controls and maintain the highest level of fiscal accountability.

Respectfully,

Signature on File

Dezarah M. Hall
Clerk of Court