



JUDY E. REYNOLDS  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF BEDFORD

FOR THE PERIOD  
JANUARY 1, 2019 THROUGH MARCH 31, 2020

Auditor of Public Accounts  
Martha S. Mavredes, 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 the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### **Request Tax Set-Off Refunds**

Repeat: No

The former Clerk did not submit claims to the Virginia Department of Taxation (Taxation) for tax setoff of refunds for delinquent court fines and costs totaling \$819, resulting in a loss of revenue to the Commonwealth and locality. A court must submit claims for set-off of tax refunds through Taxation's automated accounting system. The Clerk should use the tax refund set-off process to maximize collections as required by the Code of Virginia.

## **-TABLE OF CONTENTS-**

### Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

1-2

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

3



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

## *Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

April 23, 2020

The Honorable Judy E. Reynolds  
Clerk of the Circuit Court  
County of Bedford

John Sharp, Board Chairman  
County of Bedford

Audit Period: January 1, 2019 through March 31, 2020  
Court System: County of Bedford

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.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Michael T. Garrett, Chief Judge  
Robert Hiss, 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 BEDFORD COUNTY**

123 E. MAIN STREET, SUITE 201  
BEDFORD, VA 24523  
TELEPHONE 540-586-7632  
FACSIMILE 540-586-6197

JUDY E. REYNOLDS, CLERK

JAMES W. UPDIKE, JR., JUDGE

April 29, 2020

Auditor of Public Accounts  
Martha Mavredes

RE: Audit Period: January 1, 2019 through March 31, 2020

Dear Ms. Mavredes:

I have received and reviewed the audit report for the above referenced audit period.

Upon completion of the audit, I discussed with the auditor the finding mentioned in this report as follows:

**Request Tax Set-Off Refunds:** The former Clerk did not submit claims to the Virginia Department of Taxation for tax setoff of refunds for delinquent court costs and fines totaling \$819.00, resulting in a loss of revenue to the Commonwealth and locality.

As a corrective action plan, the administrator will check the Department of Taxation website twice per week for any claims that may not have been communicated through the normal email notification process, thereby reducing the risk of failure to collect on available funds in the future. I would also make mention that the accounts were ultimately collected in their entirety before the end of 2019 through monetary payments, garnishment, and a subsequent tax setoff.

I appreciate the comments and suggestions made by Randy Johnson. He is always professional and courteous, and I find his suggestions to be most helpful in assisting this office to operate in a prudent and efficient manner.

Sincerely,

Judy E. Reynolds  
Clerk of Court