



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

FOR THE PERIOD
APRIL 1, 2020 THROUGH DECEMBER 31, 2021

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 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 Disburse Liabilities

Repeat: No

The Clerk did not properly disburse liabilities. At the end of the audit period, the Clerk was holding \$4,768 in condemnation funds that she should have disbursed or escheated and a \$250 bond that she should have forfeited. The Clerk should disburse the condemnations and forfeit the bond noted and going forward, should disburse or otherwise resolve liabilities in accordance with the Code of Virginia, court order, or as recommended by the financial system user's guide.

-TABLE OF CONTENTS-

Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

1-2

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

3-4



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 28, 2022

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

John Sharp, Board Chairman
County of Bedford

Audit Period: April 1, 2020, through December 31, 2021
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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's 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 corrective action to remediate the internal control finding that we reported in the previous audit.

We discussed the comment 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

LH: 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



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

May 10, 2022

Auditor of Public Accounts
Staci A. Henshaw

RE: Audit Period: April 1, 2020 through December 31, 2021

Dear Ms. Henshaw:

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 findings mentioned in this report as follows:

Properly Disburse Liabilities: The Clerk did not properly disburse liabilities. At the end of the audit period, the Clerk was holding \$4,768 in condemnation funds that she should have disbursed or escheated and a \$250 bond that she should have forfeited. The Clerk should disburse the condemnations and forfeit the bond noted and going forward, should disburse or otherwise resolve liabilities in accordance with the Code of Virginia, court order, or as recommended by the financial system user's guide.

As a corrective action plan regarding the disbursement of condemnation funds, when a case is ended on 3-year rule due to inaction of the parties, as these cases were, if no order is received as to payment of the funds to an appropriate party, then the funds will be escheated. I would make mention in these cases, the Clerk did notify all parties to these cases that the cases were ended in order to prompt action for disbursement, as the Clerk cannot disburse funds without a court order. Pursuant to §25.1-310(A), any person who is shown to be entitled to funds being held would need to petition the court for distribution of the funds. No response was received from the parties and it was believed that the projects could be ongoing. Prior to this finding by APA, the Clerk interpreted §8.01-602 to mean condemnation funds should not be escheated. In the future, to remediate this issue the funds will be escheated at the appropriate time if no order is received directing the Clerk to pay out the funds.

As a corrective action plan regarding the forfeiture of the cash bond, the Clerk and bookkeeper will review the liabilities index report on a monthly basis to determine if there are cases for which funds are being held that may require disbursement. It is worth noting that the issue of the forfeiture of the \$250 bond was brought to the Clerk's attention by the auditor, and the required

procedures were followed which resulted in successful resolution of this matter before the audit was complete.

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,

A handwritten signature in black ink that reads "Judy E. Reynolds". The signature is written in a cursive, flowing style.

Judy E. Reynolds
Clerk of Court