



ELNORA L. GROOMS
GENERAL RECEIVER OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2014 THROUGH JUNE 30, 2016

Auditor of Public Accounts
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COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the General Receiver's fiscal accountability.

Reconcile Bank Account (new)

The General Receiver did not reconcile her bank account during the entire 24-month 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. Additionally, the lack of monthly reconciliations resulted in funds not being invested timely, incurring loss of interest to beneficiaries and creating a personal liability for the General Receiver.

We noted the following matter involving internal control and its operation that has led or could lead to noncompliance with laws and regulations.

Promptly Deposit and Invest Trust Funds (new)

The General Receiver did not promptly deposit and invest trust funds. Three of five checks received during the audit period were deposited up to four months late. Additionally, the General receiver delayed investing four new accounts for up to 15 months. Delaying bank deposits increases the risk of loss of funds. Delaying the investment of these funds subjects the General Receiver to a personal liability for the loss of interest to these beneficiaries and, accordingly, the General Receiver should deposit to the trust funds that were not invested timely an amount equal to that loss. Additionally, the General Receiver should make bank deposits immediately upon receipt of funds and invest the funds within 60 days as required by section 8.01-587 Code of Virginia.



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 3, 2016

The Honorable Timothy K. Sanner
Chief Judge
City of Charlottesville

We have audited the cash receipts and disbursements of the General Receiver of the Circuit Court for this locality for the period of July 1, 2014, through June 30, 2016. Our primary objectives were to test the accuracy of financial transactions recorded in the General Receiver's financial records; evaluate the General Receiver's internal controls related to the management of trust funds; and test the General Receiver's compliance with court orders, significant state laws, regulations, and policies.

The General Receiver has responsibility for maintaining the records supporting financial transactions, 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.

We acknowledge the cooperation extended to us by the General Receiver during this engagement.


AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: Llezelle A. Dugger, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia