



ALAN P. KRASNOFF
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHESAPEAKE

FOR THE PERIOD
APRIL 1, 2018 THROUGH DECEMBER 31, 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
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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 Clerk's fiscal accountability.

Retain Voided Receipts

Repeat: No

For three of eleven voided receipts tested, the Clerk did not retain all copies of the voided receipts. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Clerk should retain all copies of voided receipts as required by the financial accounting system user's guide. Otherwise, if all copies of the receipt are not available, receipting errors should be corrected by other means.

-TABLE OF CONTENTS-

Pages

COMMENTS TO MANAGEMENT

AUDIT LETTER

CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN

1-2

3-4



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 19, 2020

The Honorable Alan P. Krasnoff
Clerk of the Circuit Court
City of Chesapeake

Rick W. West, Mayor
City of Chesapeake

Audit Period: April 1, 2018 through December 31, 2019
Court System: City of Chesapeake

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 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.

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

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable Randall D. Smith, Chief Judge
Christopher M. Price, City Manager
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



OFFICE OF THE CLERK
CIRCUIT COURT OF THE CITY OF CHESAPEAKE

ALAN P. KRASNOFF
CLERK

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April 1, 2020

Martha S. Mavredes, CPA
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Dear Ms. Mavredes,

We appreciate Ms. Katherine St. Lawrence's oversight to ensure compliance and her keen eye during our comprehensive audit, and there has never been a time when I have not learned more during her visits about the need to always look for ways to improve how we serve Chesapeake.

Upon completion of the audit of the court's financial records covering the period of July 1, 2018 through December 31, 2019, one item was noted which requires a response/action on our part.

Specifically, the item noted dealt with three voided receipts, for which all copies of those receipts were not retained. The voided transactions were part of 11 receipts tested.

The first receipt was dated July 31, 2018. The error was discovered during the day's closeout, and immediate action was taken to correct it. The amount in question was listed as \$863 on the receipt, while a copy of the check paid by the individual indicated that the written amount was \$363.00. We contacted the person, who made the correct \$863 payment, which was applied with no loss of income, which was \$104,923.29 for July 31.

The second receipt was dated January 30, 2019 and represented a combination of payments in cash and with a credit card transaction. The credit card transaction was for \$9.18 and a receipt was given. The charge was approved for only 47 cents, leaving a balance of \$8.71 not approved. The credit card transaction was voided, rendering the entire payment incomplete. The customer returned the same day and paid in cash, which was correctly applied with no loss of income, which was \$70,010.20 for January 30.

The third receipt was dated October 2, 2019. The error was discovered during the day's closeout, and immediate action was taken to correct it. The marriage officiant's \$500 bond was voided because the case number for the marriage officiant was incorrectly applied, but corrected with no loss of income, which was \$74,307.64 for October 2.

Ms. St. Lawrence's helpful instruction and relevant advice is essential to our operation. We will insure all copies of the receipts are retained for any voided receipts. We have adopted her recommendations through this corrective action to ensure that Chesapeake and our Commonwealth suffer no fiscal loss.

We welcome oversight and the opportunity to improve accountability and thank her for her insight and support.

With kindest regards,


Alan Krasnoff
Clerk of Court