



FOSTER S. B. FRIEDMAN
GENERAL RECEIVER OF THE CIRCUIT COURT
FOR THE
CITY OF ALEXANDRIA

FOR THE YEAR ENDED
JUNE 30, 2020

Auditor of Public Accounts
Staci A. Henshaw, CPA

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(804) 225-3350



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 and Review Bank Account

Repeat: Yes (first issued for fiscal year 2019 as Reconcile Bank Account)

The General Receiver did not reconcile his official bank account timely during the audit period. Reconciliations were completed by staff up to eight months late and were not reviewed by a supervisor. Timely and complete reconciliations, as well as supervisory review, 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 General Receiver should perform reconciliations between the official bank account and the supporting accounting records upon receipt of the bank statement as outlined in the General Receiver accounting manual. Additionally, once reconciliations are complete, the General Receiver should review and sign them.

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

Prepare and File Annual Trust Fund Report

Repeat: Yes (first issued for fiscal year 2018 as Properly Prepare Annual Trust Fund Report)

The General Receiver did not file an annual trust fund report for fiscal year 2020. Each year, by October 1st, the General Receiver is required to file with the Circuit Court an annual report of trust funds being held, which should include the approximate dates on which the monies will become payable to the beneficiary; all amounts received, including interest earned; and all funds disbursed, including general receiver fees.

The General Receiver should immediately file the trust fund report for fiscal year 2020 and, going forward, should file an annual report each year in accordance with § 8.01-600 of the Code of Virginia.

Escheat Unclaimed Property

Repeat: Yes (first issued for fiscal year 2019)

The General Receiver did not escheat unclaimed property as required by § 8.01-602 and § 55.1-2519 of the Code of Virginia. The General Receiver must review funds unclaimed for over a year to determine what is eligible for escheatment, and then submit the funds no later than November 1st of each year to the Virginia Department of the Treasury's Division of Unclaimed Property. The General Receiver should ensure that unclaimed funds he is currently holding are escheated promptly following due diligence and should escheat funds annually as required by the Code of Virginia.

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 19, 2021

The Honorable Lisa Bondareff Kemler
Chief Judge
City of Alexandria

We have audited the cash receipts and disbursements of the General Receiver of the Circuit Court for this locality for the year ended June 30, 2020. 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.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

SAH:vks

cc: J. Greg Parks, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia