

July 19, 1999

Edward Semonian  
Clerk of the Circuit Court  
City of Alexandria

City Council  
City of Alexandria

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the City of Alexandria for the period July 1, 1997 through June 30, 1998. We conducted our audit in accordance with generally accepted auditing standards.

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. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Clerk needs to address as described below.

#### Issue Manual Receipts

The Clerk does not write manual receipts for collections received when the registers are not operational. The Clerk closes the registers up to 45 minutes early each day to perform daily reconciliations. The Clerk does not receipt money received during this time. The Clerk holds money received and receipts them directly into the court's financial system the next business day. The FMS User's Guide requires courts to use official manual receipts when the PCR register is not operational so the court can properly receipt all funds and apply them to the correct account. The Clerk should keep the registers open during normal business hours and issue manual receipts for all collections received when the register is not operational.

### Properly Record and Track Cash Overages and Shortages

The Clerk does not properly account for cash overages and shortages. When a register has an overage the Clerk removes the amount and puts it in an unsecured desk drawer. When a register is short, the Clerk takes money from the accumulated overage amounts and adds it to the deposit. The FMS User's Guide requires the recording of small amounts of overages and shortages in account code 411. Recording the overage and shortage in the proper account code allows the Clerk to monitor daily differences and take appropriate action to resolve and potential training or personnel issues. The Clerk was not aware of this requirement. The Clerk should use FMS account code 411 to record and monitor overages and shortages.

We discussed these comments with the Clerk on July 20, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Donald M. Haddock, Chief Judge  
Vola Lawson, City Manager  
Bruce Haynes, Executive Secretary  
Compensation Board  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Paul Delosh, Technical Assistance  
Supreme Court of Virginia