



Walter J. Kucharski, Auditor

Commonwealth of Virginia

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

March 30, 2010

The Honorable Bevill M. Dean
Clerk of the Circuit Court
City of Richmond

City Council
City of Richmond

Audit Period: April 1, 2009 through February 28, 2010
Court System: City of Richmond

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for the City of Richmond. 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; test its compliance with significant state laws, regulations, and policies; and we performed work in conjunction with the matter in the following paragraph.

In August 2009, the Clerk contacted our office to report a loss of funds in his office. Working with the Clerk, we determined the loss totaled \$2,294 and resulted from the improper handling of funds by a former court employee. Law enforcement officials are conducting work to determine the appropriate actions to take and to recover the funds.

The Clerk changed the procedures controlling the area handled by the former employee. As a follow-up, we incorporated audit procedures during this audit to review internal control processes placed in operation in that area.

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 no matters involving internal control and its operation necessary to bring to management's attention.

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

AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable Beverly W. Snukals, Chief Judge
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts