



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

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2021

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

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

Properly Prepare Annual Trust Fund Report

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

The General Receiver did not include all information required by § 8.01-585 in the 2021 annual trust fund report. Each year, by October 1st, the General Receiver is required to prepare the annual trust fund report and file it with the Circuit Court. Required information includes the approximate date on which the monies will become payable to the beneficiary and all amounts received, including interest earned. The General Receiver filed an annual report with the Circuit Court, but it did not include the approximate payout dates for all accounts listed and it did not include interest earned. The General Receiver should revise the 2021 report and file the corrected report with the Circuit Court. Going forward, the General Receiver should include all information in the annual trust fund report required by the Code of Virginia.

Promptly Escheat Unclaimed Property

Repeat: Yes (first issued for fiscal year 2019 as Escheat Unclaimed Property)

The General Receiver did not promptly 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 submit the funds no later than November 1st each year to the Virginia Department of the Treasury's Division of Unclaimed Property. The General Receiver should escheat funds annually as required by the Code of Virginia.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 20, 2022

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, 2021. 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.

The General Receiver has taken adequate corrective action with respect to the internal control finding reported in the prior year that is not repeated in this report.

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

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH:vks

cc: J. Greg Parks, Clerk
Foster S. B. Friedman, General Receiver
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia