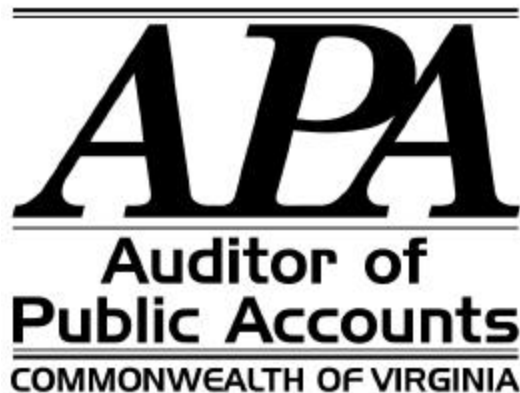


**FRONTIER CULTURE MUSEUM OF VIRGINIA
STAUNTON, VIRGINIA**

**SPECIAL REPORT
FOR THE PERIOD
JULY 1, 1995 THROUGH JUNE 30, 1998**



January 31, 2001

Jane McCone, Executive Director
Frontier Culture Museum of Virginia
P.O. Box 810
Staunton, Virginia 24402-0810

Dear Ms. McCone:

On July 5, 2000, John Walters, former Executive Director of the Frontier Culture Museum, notified our Office of the possibility of fraudulent activity concerning management of the petty cash fund. On July 12, 2001, we met with Vickie Ball, former Fiscal Officer, and began examining the petty cash records for the period July 1, 1995 through June 30, 1998. Our findings summarized on page 2 indicate a lack of internal controls and supervision as evidenced by missing financial records and poor documentation of transactions. Subsequently, we remitted our findings to the Department of State Police (Department).

The Department's investigation, which concluded last week, found no written evidence supporting any fraudulent transactions. Therefore, with concurrence from the City of Staunton Commonwealth's Attorney Office, they terminated their investigation. Since our most recent audit indicated that the Museum has addressed the internal control and supervision issues over petty cash, we are also concluding our investigation.

Paul Bowers, Audit Director, discussed the contents of this letter with Kim Brewer, Fiscal Officer, on January 30, 2001. If you have any further questions or comments, please contact Paul or me at (804) 225-3350.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

WJK:pbb
aom: 44

Frontier Culture Museum of Virginia
July 1, 1995 through June 30, 1998

We tested 530 disbursements from the petty cash fund including checks issued and receipts paid in cash. These tests found the following.

- Thirty-nine checks totaling \$5,482 had no appropriate supporting documentation.
- Twenty-five checks payable to “Cash” had no appropriate supporting documentation. There were four checks re-deposited into the petty cash account. The fiscal officer or the petty cash custodian endorsed six checks totaling \$1,422.
- Two checks totaling \$238 included the petty cash custodian’s signature as the second endorsement.
- Three checks totaling \$339 had payees other than the payee documented on the Petty Cash Reimbursement Voucher.
- The amounts of seven checks did not agree to the amounts requested for reimbursement on the Petty Cash Reimbursement Voucher. The net difference was \$249.
- There were no petty cash reimbursement requests for forty-four disbursements totaling \$3,462.
- We could not locate cancelled checks for six disbursements totaling \$1,113, and therefore, could not determine their propriety.