



ALAN P. KRASNOFF
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF CHESAPEAKE

FOR THE PERIOD
JANUARY 1, 2020 THROUGH DECEMBER 31, 2020

Auditor of Public Accounts
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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 Clerk's fiscal accountability.

Promptly Receipt Collections

Repeat: No

The Clerk and his staff did not receipt collections immediately upon receipt of civil case filings. We noted delays of two to ten days in nine of 30 new civil filings (30%). Allowing collections to remain unreceipted, attached to unsecured paperwork increases the risk of loss. The Clerk should receipt all collections immediately and, if there is a delay, the funds should be properly secured in the interim.

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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

March 24, 2021

The Honorable Alan P. Krasnoff
Clerk of the Circuit Court
City of Chesapeake

Rick W. West, Mayor
City of Chesapeake

Audit Period: January 1, 2020, through December 31, 2020
Court System: City of Chesapeake

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality for the period noted above. 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.

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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

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

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the Clerk and his staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

SAH:vks

cc: The Honorable John W. Brown, Chief Judge
Christopher M. Price, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia



OFFICE OF THE CLERK

CIRCUIT COURT OF THE CITY OF CHESAPEAKE

ALAN P. KRASNOFF
CLERK

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May 19, 2021

Staci A. Henshaw
Auditor of Public Accounts
101 North 14th Street, 8th Floor
Richmond, VA 23219 | U.S.A

Dear Ms. Henshaw,

During a routine separation audit, our office discovered that it had not been promptly receipting collections upon the receipt of civil case filings. As soon we became aware of this deficiency, we reached out to Katherine St. Lawrence on October 5, 2020 to request an unscheduled audit of cash management in the civil division.

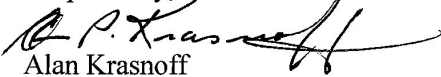
In lieu of an unscheduled audit., we sought and quickly received support from Virginia Supreme Court circuit court training team and increased staffing levels and oversight in the civil division.

At the same time, we immediately mandated a new set of procedures in advance of this audit to ensure that collections are properly tracked and accounted for:

1. All mail is time- and date-stamped daily.
2. All checks are receipted daily.
3. Each time a different clerk accesses a cash register, the clerk leaving the register completes a close-out process to verify cash, checks and credit card receipts on hand.
4. At the end of each workday, all cash registers located in the civil division are reconciled.
5. To ensure compliance, all civil clerks are being cross-trained regarding cash management and controls.

We believe these proactive steps will allay future concerns regarding cash management and controls and appreciate Ms. Lawrence's candid input and ongoing oversight.

Respectfully,


Alan Krasnoff