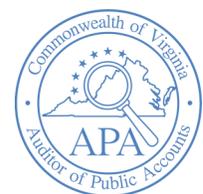




FOSTER S. B. FRIEDMAN
GENERAL RECEIVER OF THE CIRCUIT COURT
FOR THE
CITY OF ALEXANDRIA

FOR THE YEAR ENDED
JUNE 30, 2019

Auditor of Public Accounts
Martha S. Mavredes, 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 the loss of revenues, assets, or otherwise compromise the General Receiver's fiscal accountability.

Properly Prepare Annual Trust Fund Report

Repeat: Yes (first issued in fiscal year 2018)

The General Receiver did not include all required information in the annual report of trust funds filed in 2019. Each year, by October 1st, the General Receiver is required to file with the Circuit Court an annual report of trust funds being held, which should include 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. Additionally, it also contained confidential bank account information.

The General Receiver should include all applicable information as required by the Code of Virginia and ensure that confidential information is not included.

Escheat Unclaimed Property

Repeat: No

The General Receiver did not 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 then remit the funds no later than November 1st each year to the Division of Unclaimed Property. The General Receiver should ensure that unclaimed funds he is currently holding are escheated after performing the required due diligence and, going forward, should escheat eligible funds annually as required by the Code of Virginia.

Reconcile Bank Account

Repeat: No

The General Receiver did not reconcile his official bank account for the entire audit period of July 1, 2018 through June 30, 2019. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds. The General Receiver should perform reconciliations between the official bank account and the supporting accounting records, upon receipt of the bank statement as outlined in the General Receiver Accounting Manual.

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 30, 2020

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, 2019. 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.

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

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: J. Greg Parks, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia