



ELENORA L. GROOMS
GENERAL RECEIVER OF THE CIRCUIT COURT
FOR THE
CITY OF CHARLOTTESVILLE

FOR THE PERIOD
JULY 1, 2016 THROUGH SEPTEMBER 30, 2017

Auditor of Public Accounts
Martha S. Mavredes, CPA
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(804) 225-3350



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 General Receiver's fiscal accountability.

Reconcile Bank Account

Repeat: Yes

The General Receiver did not reconcile her bank account for the entire 15-month audit period. Timely and complete reconciliations are an essential internal control. Failure to reconcile bank accounts can lead to errors and irregularities going undetected and increases the risk of loss of funds. In this instance, the lack of monthly reconciliations resulted in bank service fees not being resolved and left a balance in the account that is insufficient to cover an outstanding check, thus incurring a possible loss to a beneficiary and creating a personal liability for the General Receiver.

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

File Annual Report

Repeat: No

The General Receiver did not file an Annual Report of funds under her control for fiscal year 2017 as required by Code of Virginia §8.01-585. Not filing this report subjects the General Receiver to a fine up to \$1,000 as detailed in Code of Virginia §8.01-590.

Report Unclaimed Property

Repeat: No

The General Receiver did not escheat accounts considered unclaimed. The General Receiver is required by Code of Virginia §55-210.9 and §8.01-586 to review unclaimed accounts and submit a report and the funds to the Division of Unclaimed Property prior to November 1st each year. The audit identified four accounts totaling \$21,162 for potential escheatment, two of which were brought to the General Receiver's attention during the last audit.

File Report of Surety Bond with Risk Management

Repeat: No

The General Receiver did not file the required report with the Department of the Treasury's Division of Risk Management, nor did she calculate and submit the required bond fee for accounts held as of June 30, 2017. Code of Virginia §8.01-588.1 requires this surety bond.

We made no recommendations to the General Receiver regarding the above comments as the General Receiver has turned all accounts over to the Clerk of the Circuit Court of the City of Charlottesville, to whom we will furnish a copy of this report, as of September 30, 2017.

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AUDIT LETTER

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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 10, 2018

The Honorable Timothy K. Sanner
Chief Judge
City of Charlottesville

We have audited the cash receipts and disbursements of the General Receiver of the Circuit Court for this locality for the period July 1, 2016 through September 30, 2017. 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.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: Llezelle A. Dugger, Clerk
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia