

September 1, 1999

Bevill M. Dean
Clerk of the Circuit Court
City of Richmond

City Council
City of Richmond

We have reviewed the internal controls of the Clerk of the Circuit Court of City of Richmond for the period July 1, 1997 through June 30, 1998.

Our primary objectives were to determine whether the Clerk has maintained sufficient internal controls, has adequate procedures for establishing, monitoring and reporting unpaid fines, costs and restitutions; and maintains records for Moneys Under the Control of the Court as prescribed in Section 8.01-600 of the Code of Virginia.

The results of our tests found the Court has adequate procedures for handling unpaid fines, costs, and restitutions, and maintain appropriate trust fund records. However, we noted a weakness in internal controls that the Clerk needs to address as described below.

Reconcile Bank Account Monthly

In April 1999, the Clerk notified the Auditor of Public Accounts that his bookkeeper had not reconciled the bank account since March 1998. Before our arrival, the Clerk reconciled the bank account through December 1998 and found the need to make numerous adjustments totaling over \$90,000. We reconciled the account from January 1999 through March 1999, noting the need for additional adjustments of over \$1,000. We did not find any funds missing.

The adjustments arose due to improperly recording outstanding checks, bank errors, checks written but not entered in the accounting system, coding errors, unrecorded interest and deposits, returned checks, and bank fees. As of the end of the audit, we had the bank account balanced and the Clerk had recorded all adjustments. It is essential that the Clerk make sure that someone is reconciling the bank account at least monthly. The Clerk should assign the responsibility of reviewing and approving the reconciliation to himself or his chief deputy. By assigning a consistent reviewer, the preparer will clearly understand who they must report to and show they have properly resolve all reconciling items completely each month.

We discussed these comments with the Clerk on September 2, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Walter W. Stout, III, Chief Judge
Calvin Jamison, City Manager
Bruce Haynes, Executive Secretary
Compensation Board
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia