



Executive Summary

Alexandria Circuit Court Financial Review IMR23-01

April 21, 2023

Background: The Office of Internal Audit (OIA) conducted an audit of financial transactions utilizing City funds for the Alexandria Circuit Court. Specifically, we reviewed purchase card and accounts payable transactions to ensure that they complied with City financial policies. We did not review procurement actions related to the Circuit Court and will not provide an opinion related to areas outside of the expenditures we reviewed or the time-period of the engagement. The period of our audit was from December 1, 2020, to December 5, 2022. Our audit was delayed by several other engagements.

Findings: OIA determined that all Circuit Court financial staff members were properly credentialed and trained. All purchase card transactions were properly reviewed and submitted to the City's Purchasing Division within the required timeframe as specified by City policy. All purchase card transactions show evidence of proper review and approval in accordance with the Purchasing Procedures Manual.

Our review of accounts payable transactions indicated that all expenditures appeared reasonable and were properly authorized and approved using the City's financial system. All expenditures appeared to comply with the City's purchasing thresholds and were supported by adequate documentation. We did not identify any questionable expenditures or violations of accounts payable procedures.

Conclusions: OIA determined that the Circuit Court complies with City financial procedures regarding the use of purchase cards. We also concluded that the Circuit Court demonstrates proper oversight of their financial program. We did identify that the Circuit Court has not implemented formal policies for their financial program but relies on City Administrative Regulations and the Purchasing Procedures Manual. Chapter 12 of the Purchasing Procedures Manual requires departments to develop their own purchase card internal procedures and controls. We feel that the issuance of formal policies will further strengthen the Circuit Court's financial operations.

Recommendations: The Office of Internal Audit made the following recommendations:

1. **Submit updated Delegation of Fiscal Authority Forms to the Accounting Division**
2. **Establish departmental policies with respect to purchase card program.**

Departmental Response: On April 19, 2023, the Office of Internal Audit received the response from Alexandria Circuit Court. The response indicated that they agree with and plan to implement the recommendations issued.

The executive summary of this report is being issued due to the security of City internal control procedures.