

**Client Trust Fund Inspection Report**  
**Grantee: Virginia Legal Aid Society**  
**Recipient No. 447061**  
**Report No. 99-004**

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FINAL

February 26, 1999

VIA E-mail  
Mr. David B. Neumeyer  
Executive Director  
Virginia Legal Aid Society, Inc.

Dear Mr. Neumeyer:

This report (OIG 99-004) provides the results of our inspection of Virginia Legal Aid Society's compliance with the LSC Accounting Guide For LSC Recipients (Accounting Guide) with respect to client trust funds. The inspection focused on recipient compliance with record keeping requirements as established in the Accounting Guide.

The on-site inspection was conducted February 8-11, 1999, at the administration office in Lynchburg and at two branch offices located in Lynchburg and Danville, Virginia. The inspection determined that Virginia Legal Aid Society was in general compliance with the LSC Accounting Guide.

The inspection identified the following areas where internal controls should be improved:

1. The Lynchburg branch office did not use prenumbered checks as required by the Accounting Guide and Virginia Legal Aid Society policies.
2. The reason for disbursements was not always documented in the files in the Danville branch office as required by the Accounting Guide and Virginia Legal Aid Society policies. You should consider revising the Client Trust Disbursement Request form currently being used to include a specific line item for the reason for the disbursement and a separate line item for the amount of the disbursement.
3. The current VLAS administrative office and branch office Financial Procedures Manual did not reflect all current procedures in place and should be updated.

Please provide a copy of this report to each member of the board of directors of the Virginia Legal Aid Society.

Sincerely,

*(Signed)*

E.R. Quatrevaux  
Inspector General

cc: Karen Sarjeant, Vice President for Programs  
Danilo Cardona, Director of Office of Compliance and Enforcement