

**CLERK OF THE COMBINED GENERAL DISTRICT COURT  
OF THE  
COUNTY OF BOTETOURT**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2007 THROUGH MARCH 31, 2008**





# Commonwealth of Virginia

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

**Walter J. Kucharski, Auditor**

July 16, 2008

The Honorable J. Gregory Mooney  
Chief Judge  
County of Botetourt  
General District Court  
P.O. Box 139  
Covington, VA 24426

The Honorable Paul A. Tucker  
Chief Judge  
County of Botetourt Juvenile and  
Domestic Relations District Court  
P.O. Box 858  
Fincastle, VA 24090

The Honorable Humes J. Franklin, Jr.  
Magistrate Supervising Authority  
Twenty-Fifth Judicial District  
P.O. Box 1286  
Staunton, VA 24401

Audit Period: April 1, 2007 through March 31, 2008  
Court System: County of Botetourt  
Judicial District: Twenty-Fifth

We have audited the cash receipts and disbursements of the Clerk of the Combined General District Court and the associated Magistrates for this locality. Our primary objectives for both the Court and the Magistrates were to test the accuracy of financial transactions recorded on the applicable financial management system; evaluate internal controls; and test its compliance with significant state laws, regulations, and policies.

## Management's Responsibility

Court and Magistrate management has responsibility for 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.

## Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Additionally, we noted no instances of improper recording and reporting of financial transactions in the Magistrates' financial management records.

#### Internal Controls

We noted no matters involving internal control and its operation necessary to bring to Court management's attention.

However, we noted matters involving internal control and its operation necessary to bring to Magistrate management's attention.

#### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance in the Court that are required to be reported.

The results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance with the Magistrates that are required to be reported.

We acknowledge the cooperation extended to us by the Court and the Chief Magistrate during this engagement. The issues identified above are discussed in the section titled Comments to Management.

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: The Honorable Louis K. Campbell, Judge  
Bonnie D. Simmons, Clerk  
Ray Fitzgerald, Chief Magistrate  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia

## COMMENTS TO MANAGEMENT

### Internal Controls and Compliance

We noted the following matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Magistrates' fiscal accountability. These matters are also instances of noncompliance with applicable laws and regulations.

### Properly Manage and Retain Accounting Records

Magistrates Smith and Ladenheim failed to properly manage and retain their accounting records as required by Chapter X of the Magistrate Manual. Specifically, we noted the following:

- Missing validated bank deposit slips
- Missing court receipts
- Missing or incomplete receipt information
- Missing bank reconciliations
- Delayed bank deposits
- Magistrate bank accounts that incurring insufficient fund charges

The Magistrates should deposit cash collections exceeding \$350 no later than the next business day per the Magistrate Manual and remit to the Court in accordance with the Code of Virginia. As well, they should follow the accounting procedures detailed in Chapter X of the Magistrate Manual. Failure to maintain adequate records and perform bank account reconciliations increases the risk of improprieties or unwarranted bank charges going undetected. The Chief Magistrate should routinely check that Magistrates have complete accounting records and are deposit funds according the documented procedures. Failure to properly receipt and deposit collections increases the risk of misappropriation of funds and could result in lost revenue to the Commonwealth.