



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

July 23, 2014

Daniel J. Holser  
Chief Magistrate  
County of Chesterfield  
P.O. Box 151  
Chesterfield, VA 23832

Audit Period: July 1, 2012 through October 31, 2013  
Court System: County of Chesterfield  
Judicial District: Twelfth  
Magisterial Region: Third

We are performing a statewide audit of the Magistrates. During our review, we conducted certain audit procedures, as we deemed appropriate.

Management is an important part of the Magistrates' accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review, we noted certain matters that required management's attention and corrective action. These matters included:

## Comply with Applicable Accounting Procedures and IRS Rules

Magistrate Carneal did not follow accounting procedures set forth by the Office of the Executive Secretary (OES) in the Magistrate's Manual and did not comply with Internal Revenue Service (IRS) rules regarding the receipt of bonds of more than \$10,000. Specifically, we noted that he did not obtain all bank statements for the period under audit, did not consistently reconcile his bank account, did not deposit cash bonds in a timely manner, did not remit cash bonds to the applicable court timely, and did not obtain receipts from the courts for cash bonds. In addition Magistrate Carneal did not file IRS form 8300 upon receipting a \$12,000 cash bond. We recommend that Magistrate Carneal immediately take steps to ensure compliance with OES accounting guidelines and IRS rules. In addition, the Chief Magistrate should review and approve the work of Magistrate Carneal to ensure it is completed properly.

Daniel J. Holser  
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We acknowledge the cooperation extended to us by the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: Shawn Barnes, Magistrate Supervising Authority  
Bobby Lewis, Magistrate System Coordinator  
Supreme Court of Virginia  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia