



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

## *Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

April 1, 2022

Mary J. Hanzlik  
Chief Magistrate  
County of Washington

Audit Period: July 1, 2020, through June 30, 2021  
Court System: Counties of Bland, Russell, Smyth, Tazewell, Washington, Wythe and City of Bristol  
Judicial District: Twenty-Eighth (and certain counties of Twenty-Seventh and Twenty-Ninth)  
Magisterial Region: One

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 the following matter requiring management's attention and corrective action.

### **Follow Established Accounting Procedures**

**Repeat:** No

The Chief Magistrate and her staff did not follow established accounting procedures, as outlined in the Office of the Executive Secretary's Magistrate Manual. The magistrates delayed depositing two bonds into the magistrates' bank account but made the corresponding remittance to the applicable courts immediately, causing an overdraft of the magistrates' bank account.

Cash bonds are especially vulnerable to loss and misappropriation. Proper procedures, monitoring, and control are necessary to safeguard collections. The Chief Magistrate and her staff should consistently follow the accounting procedures outlined in the Magistrate Manual, which dictate the magistrates should deposit cash collections by the next business day and should not make the corresponding remittance to the courts until the bank deposit has been made.

Mary J. Hanzlik, Chief Magistrate  
April 1, 2022  
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We acknowledge the cooperation extended to us by the Chief Magistrate and her staff during this engagement.

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cc: Garland Wayne Frye, Magistrate Supervising Authority  
Jonathan E. Green, Director of Magistrate Services  
Supreme Court of Virginia