



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

August 6, 2004

The Honorable David S. Whitacre
Chief Judge
County of Page General District Court
5 n. Kent Street
Winchester, VA 22601

The Honorable Dennis L. Hupp
Magistrate Supervising Authority
Twenty-Sixth Judicial District
Shenandoah County Circuit Court
112 South Main Street
Woodstock, VA 22664

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Page General District Court and the Twenty-Sixth Judicial District Magistrate's Office for the period January 1, 2003 through June 30, 2004.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system and in the Magistrates' records; evaluate the Court's and the Magistrates' internal controls; and test compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; no material weaknesses in the court's internal controls; and no instances of the court's noncompliance with applicable laws, regulations, and policies.

MAGISTRATE ISSUE:

The results of our tests of the Magistrate's Office found that the Magistrates properly stated, in all material respects, the amounts recorded in the financial records. However, we noted a weakness in internal controls and noncompliance with state laws, regulations, and policies that the Chief Magistrate needs to address as described below.

Retain Financial Records

For seven of 18 months tested, Magistrate H. D. Brown could not provide bank statements, reconciliations, deposit tickets or transmittal cards for test work. Because the records were not available, we could not determine if Magistrate Brown performed monthly reconciliations to ensure that he identified any differences between the bank's and his financial

records. The Supreme Court requires magistrates to retain all financial records for audit and, if they terminate employment, they must turn these records in to the Chief Magistrate.

The Chief Magistrate should take the necessary steps to ensure that all magistrates follow proper accounting procedures as outlined in Chapter X of the Magistrates Manual. The Chief Magistrate should conduct refresher training when necessary so that magistrates can maintain competency in proper accounting procedures. Further, we recommend the Chief Magistrate frequently perform supervisory reviews and audits of magistrates' records to ensure compliance with Chapter X of the Magistrates Manual.

We discussed these comments with the Clerk on August 5, 2004 and with the Magistrate Supervising Authority on August 6, 2004. We acknowledge the cooperation extended to us by the Court and the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

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cc: Barbara S. Brubaker, Clerk
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia