



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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February 29, 2008

The Honorable Morton V. Whitlow
Chief Judge
City of Portsmouth General District Court
711 Crawford Street PO Box 129
Portsmouth, VA 23705-0129

The Honorable Mark S. Davis
Magistrate Supervising Authority
Third Judicial District
711 Crawford Street PO Box 129
Portsmouth, VA 23705-0129

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the City of Portsmouth General District Court and the associated magistrates from the Third Judicial District for the period January 1, 2006 through September 30, 2007.

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.

MAGISTRATES

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; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Chief Magistrate needs to address as described below.

Ensure Magistrate Accountability

The Chief Magistrate does not ensure all magistrates follow prescribed accounting practices set out in Chapter 10 of the Magistrate's Manual.

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Specifically, we noted the following for Magistrate Walker.

- Many of the official receipts were written over and illegible. Auditors could not determine whether the magistrate issued, voided, or otherwise used the receipts.
- No monthly bank account reconciliations and a failure to properly monitor and bank account both of which resulted in overdrafts for insufficient funds.

The Chief Magistrate should provide the magistrate detailed training regarding the proper management of official receipts and the performance of monthly bank reconciliations. The Chief Magistrate should further conduct periodic reviews of magistrates to ensure accurate and complete recordkeeping.

We discussed these comments with the Clerk and with the Chief Magistrate and we acknowledge the cooperation extended to us by the Court and the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:wdh

cc: The Honorable S. Lee Morris, Judge
The Honorable Roxie D. Holder, Judge
L. Jody Davis, Clerk
Loretta Reese, Chief Magistrate
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia