

**CLERK OF THE GENERAL DISTRICT COURT
of the
CITY OF VIRGINIA BEACH**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2007 THROUGH SEPTEMBER 30, 2008**





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

February 23, 2009

The Honorable Gene A. Woolard
Chief Judge
City of Virginia Beach General District Court
2425 Nimmo Parkway, Judicial Center
Virginia Beach, VA 23456

Audit Period: April 1, 2007 through September 30, 2008
Court System: City of Virginia Beach
Judicial District: Second
Magisterial District: Seventh

We have audited the cash receipts and disbursements of the Clerk of the 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.

However, we noted 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.

In addition, 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:alh

cc: The Honorable Virginia L. Cochran, Judge
The Honorable Calvin R. Depew, Jr., Judge
The Honorable W. Edward Hudgins, Jr., Judge
Andre H. Mayfield, Clerk
Beth Turnbull, Regional Magistrate Supervisor
Robert Hill, Chief Magistrate
Paul 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. The results of our tests of compliance with applicable laws and regulations also disclosed the following instances of the Magistrates' noncompliance.

Account for Cash Bond Transactions Timely

Our review of Magistrate V. Harris found delays in making deposits and court remittances and missing records. Auditors tested all 35 receipts noted the following.

- Sixteen delayed deposits totaling in excess of \$40,000.
- Two deposits did not equal the receipts and occurred on different days, and two other deposits occurred 30 days after collection.
- Three delayed remittances resulted in the Court receipting funds between 12 and 22 days after deposit.
- Five transactions had no deposit receipts.

Magistrates must deposit cash collections no later than the next business day and remit to the Court in accordance with the Section 19.2-47.1 of the Code of Virginia. Additionally, Magistrates should maintain proper records as required by Chapter IX of the Magistrate Manual.

The Chief Magistrate should periodically review magistrates' records to ensure compliance. Failure to promptly deposit and remit monies to the court increases the risk for misappropriation and could result in loss of fiduciary funds entrusted to the Commonwealth.