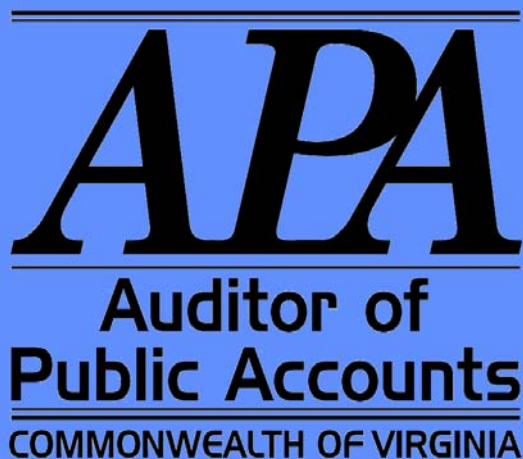


**CLERK OF THE GENERAL DISTRICT COURT
OF THE
CITY OF CHARLOTTESVILLE**

**REPORT ON AUDIT
FOR THE PERIOD
JULY 1, 2006 THROUGH MARCH 31, 2008**





Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

July 29, 2008

The Honorable Robert H. Downer, Jr.
Chief Judge
City of Charlottesville General District Court
P. O. Box 2677
Charlottesville, VA 22902-2677

The Honorable Timothy K. Sanner
Magistrate Supervising Authority
Sixteenth Judicial District
Box 37, 100 W. Main Street
Louisa, VA 23093-0037

Audit Period: July 1, 2006 through March 31, 2008
Court System: City of Charlottesville
Judicial District: Sixteenth

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.

Additionally, we noted no 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.

Conversely, 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:kmk

cc: The Honorable William G. Barkley, Judge
Mary Alice Trimble, Clerk
Cheryl A. Thompson, Chief Magistrate
Paul DeLosh, Director of Technical Assistance
Supreme Court of Virginia

COMMENTS TO MANAGEMENT

Internal Controls

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. These matters also disclosed instances of noncompliance with applicable laws and regulations.

Improve Cash Control Procedures

Magistrate's Thompson, Brown, Dalsky and Doudera do not follow the appropriate accounting procedures outlined in Chapter X of the Magistrate Accounting Manual. Auditors tested \$78,250.00 in cash bond receipts and noted the following.

- Six instances of no court receipts attached to the magistrate transmittal.
- Deposits of nine receipts delayed from one to five business days after receiving the funds.
- One instance in which the bank deposit and the magistrate transmittal did not match the court receipt. This resulted in a \$1000 magistrate checking account error that went unresolved until this audit.

Properly Manage Magistrate Bank Account

Magistrate Brown did not appropriately complete bank statement reconciliations. Auditors discovered a \$1,500.00 error, which the magistrate had not corrected for approximately three years.

Properly Remit Fund to the Commonwealth

Magistrate Brown did not escheat \$1500 to the division of Unclaimed Property as required by Section 55-210.12 of the Code of Virginia. In addition to the lost revenue to the Commonwealth, this contributed to Magistrate Brown's numerous checking account errors.

Magistrates should follow all procedures outlined in Chapter X of the Magistrate Accounting Manual. The Chief Magistrate should ensure that all unclaimed property is turned over to the applicable District Court for immediate escheatment to the Commonwealth. The Chief Magistrate should provide training on magistrate accounting responsibilities to ensure that her staff understands their responsibilities. Additionally, the Chief Magistrate should also routinely check that magistrates are depositing funds and maintaining records according to these documented procedures. Failure to do so increases the risk of misappropriation of funds and could result in lost revenue to the Commonwealth.

