



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

January 24, 2008

The Honorable R. Larry Lewis
Chief Judge
County of Scott General District Court
P.O. Box 306
Jonesville, VA 24263

The Honorable R. Larry Lewis
Magistrate Supervising Authority
Thirtieth Judicial District
P.O. Box 306
Jonesville, VA 24263

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Scott General District Court and the associated magistrates from the Thirtieth Judicial District for the period April 1, 2006 through December 31, 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; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted a weakness in internal controls that the Clerk needs to address as described below.

Properly Classify Fines

The Court misclassified \$4100 of state fines as local fines in all 10 criminal cases tested. The misclassifications resulted in a loss of revenue to the Commonwealth. The Clerk should bill the locality for the money and then deposit the funds with the Commonwealth. The Clerk should also examine all other similar cases and if an error has occurred obtain these funds and deposit them with the appropriate party. Further, the clerk should review Appendix C of the Financial Management System User's Guide with his staff and provide additional training in classifying fines.

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; no material weaknesses in the Magistrate's internal controls; and no instances of the Magistrate's noncompliance with applicable laws, regulations, and policies.

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:alp

cc: The Honorable Jeffery Scott Hamilton
 The Honorable Chadwick Dotson
 Michael D. Edwards, Clerk
 Ruth Hale, Chief Magistrate
 Paul F. DeLosh, Director of Judicial Services
 Supreme Court of Virginia