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Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

October 19, 2018

Michael Poulson  
Chief Magistrate  
City of Virginia Beach

Audit Period: July 1, 2017 through June 30, 2018  
Court System: Virginia Beach  
Judicial District: Second  
Magisterial Region: Seventh

We are performing a statewide audit of the Magistrates. During our review, we conducted certain audit procedures, as we deemed appropriate.

Management is an important part of the Magistrates' accountability, since you are responsible for establishing and maintaining internal controls and complying with applicable laws and regulations. During our review, we noted certain matters that required management's attention and corrective action. These matters included:

## **Retain Voided Receipts**

Repeat: No

For six of nine voided receipts, the Magistrates did not retain all copies of the voided receipts or the corresponding original receipts. Voided transactions pose an increased risk for fraudulent activity and, as such, must be monitored and controlled closely. The Magistrates should retain all copies of original and voided receipts as required by the Magistrate Manual.

## **Properly Complete Manual Receipts**

Repeat: No

For three manual receipts issued during the fiscal year, the issuing Magistrate did not properly complete the receipts. The Magistrate did not use carbon paper, resulting in a lack of supporting documentation for what was entered into the automated magistrate system.

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Failure to properly complete manual receipts poses an increased risk for fraudulent activity. In all instances, the issuing Magistrate should properly complete all receipt copies in accordance with the Magistrate Manual.

We acknowledge the cooperation extended to us by the Chief Magistrate and his staff during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: Thomas Cahill, Magistrate Supervising Authority  
Mason Byrd, Director of Magistrate Services  
Supreme Court of Virginia