



# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

May 27, 2008

The Honorable Joseph M. Serkes  
Chief Judge  
County of Amherst General District Court  
P.O. Box 513  
Amherst, VA 24521

The Honorable James W. Updike, Jr.  
Magistrate Supervising Authority  
Twenty-fourth Judicial District  
123 East Main Street, Suite 201  
Bedford, VA 24523

Audit Period: January 1, 2007 through March 31, 2008  
Court System: County of Amherst  
Judicial District: Twenty-fourth

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.

As well, we noted no 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 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.

A handwritten signature in black ink, appearing to read "Walter J. Kucharik".

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: The Honorable R. Edwin Burnette, Jr., Judge  
Beverly O. Lewis, Clerk  
John Payne, Chief Magistrate  
Paul DeLosh, Director of Technical Assistance  
Supreme Court of Virginia

## COMMENTS TO MANAGEMENT

### Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of both the Clerk's noncompliance.

### Properly Assess Fines and Costs

The Clerk did not properly assess and record certain costs against defendants and improperly coded City and Commonwealth fines on state and city charges per Code of Virginia Sections 16.1-69.48 (b). There were 11 exceptions noted in 20 cases tested.

- Two defendants had fees not properly classified in the accounts.
- Four defendants had fines improperly coded as either state revenue or local revenue.
- Five defendants were incorrectly assessed court appointed attorney fees.

The Clerk needs to be more diligent in the proper documentation, assessment, and collection of fees and fines. She should immediately seek additional training for Court staff; and implement procedures for billing the appropriate authorities and properly assessing fees in accordance with the Code of Virginia.

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of the Magistrates' noncompliance.

### Improve Receipting Procedures

Magistrate Washington does not properly complete his manual receipts as directed by Chapter 10 of the Magistrate's Manual. He also does not retain all copies of void receipts. Magistrate Washington should follow the accounting requirements as outlined in the Magistrate's Manual.

### Properly Retain Records

Chief Magistrate Payne failed to obtain Magistrate Thornton's bank statements upon her leaving the magistrate's office. Per Section 42.1-88 of the Code of Virginia, a Magistrate is required to turn in all records to the Chief Magistrate.

Chapter 10 in the Magistrate Accounting Manual clearly outlines the procedures to address both of these issues. The Chief Magistrate should ensure that both he and the district Magistrates comply with these accounting procedures.

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Twenty-fourth Judicial District  
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