



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

July 1, 2004

The Honorable Garland Bigley
Chief Judge
City of Petersburg General District Court
35 East Tabb Street
Petersburg, VA 23803

The Honorable Judge Thomas V. Warren
Magistrate Supervising Authority
Eleventh Judicial District
P.O. Box 25
Nottoway, VA 23955

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the City of Petersburg General District Court and the Eleventh Judicial District Magistrate's Office for the period January 1, 2003 through March 31, 2004.

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

MAGISTRATE ISSUES:

The results of our tests of the Magistrate's Office found that the Magistrates properly stated, in all material respects, the amounts recorded and reported in the financial records. However, we noted a weakness in internal controls and noncompliance with applicable laws, regulations, and/or policies that the Chief Magistrate needs to address as described below.

Comply With Accounting Procedures

The Chief Magistrate does not comply with the accounting requirements as outlined in the Magistrate's Manual. Specifically, we noted the following.

- The Chief Magistrate did not properly reconcile her official checking account timely. For ten of the 15 months of the audit period, she failed to obtain account statements from the bank until we requested her to do so. The bank statement is an essential element in reconciling the account as it helps to identify differences between the bank's and the magistrate's financial records. In accordance with Chapter X of the Magistrate's Manual, the Chief Magistrate should reconcile her checking account monthly by comparing her check book balance to the bank statement balance

and then identifying and promptly resolving any differences. Failing to reconcile the checking account could result in errors going undetected.

- The Chief Magistrate failed to secure the accounting records from a magistrate who had resigned in January 2003. Because the Chief Magistrate could not present the former magistrate's receipt book or any bank statements, we were unable to audit the former magistrate's financial records. The Chief Magistrate should immediately request in writing the accounting records from the former magistrate in accordance with Section 42.1-88 of the Code of Virginia. Once the Chief Magistrate obtains the records, she should properly secure and retain them as required by Chapter X of the Magistrate's Manual.

The Chief Magistrate is responsible for ensuring all magistrates comply with the accounting procedures outlined in the Magistrate's Manual. In order to fulfill this responsibility, the Chief Magistrate needs to be sufficiently familiar with and follow those procedures.

We discussed these comments with the Clerk on July 1, 2004. We acknowledge the cooperation extended to us by the Court and the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

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cc: Joyce A. Street, Clerk
Sherry Joy Grizzard, Chief Magistrate
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia