



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
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October 24, 2003

The Honorable W. Dale Houff
Chief Judge
County of Frederick General District Court
116 South Court Street Suite B
Luray, VA 22835

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the County of Frederick General District Court for the period April 1, 2002 through June 30, 2003.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its 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 internal controls; and no instances of noncompliance with applicable laws, regulations, and policies.

MAGISTRATE ISSUES:

The results of our tests found the Magistrate properly stated, in all material respects, the amounts recorded and reported in the financial records; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted a weakness in internal controls that the Chief Magistrate needs to address as described below.

Deposit and Submit Funds Promptly

Magistrate Edwards did not deposit funds promptly when collections exceeded \$350 as required by Chapter 10 of the Magistrate Accounting Manual. For two of six receipts tested, the Magistrate deposited funds totaling \$750 and \$2,500 up to five days late.

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Additionally, the Magistrate did not submit cash bonds to the Court timely. Section 19.2-47.1 of the Code of Virginia states “all funds paid to and collected by or on behalf of a magistrate shall be paid promptly” to the appropriate court clerk. The Magistrate should ensure that funds exceeding \$350 are deposited not later than the next business day and cash bonds submitted to the appropriate court promptly.

Intermingled Funds

Magistrate Long improperly deposited personal funds in the official magistrate’s bank account to cover the cost of new checks. Additionally, the Magistrate reimbursed these incidental costs by deducting the amount from bond monies received. This practice caused the Court to improperly classify and record the funds received. The Magistrate should handle all bank account transactions by either a deposit slip or check to ensure proper accounting procedures.

The Chief Magistrate should ensure that the Magistrate complies with all accounting procedures set forth in Chapter 10 of the Magistrate Accounting Manual.

We discussed these comments with the Clerk on October 24, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: The Honorable David S. Whitacre, Judge
Brenda L. Vance, Clerk
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
LeAnn Lane, Court Analyst
Supreme Court of Virginia