

June 27, 2003

The Honorable John T. Frey  
Clerk of the Circuit Court  
County of Fairfax

Board of Supervisors  
County of Fairfax

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Fairfax for the period April 1, 2002 through March 31, 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. However, we noted a weakness in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

#### Update Systems to Provide Improved Internal Controls

As noted in our previous reports, the Clerk's office uses two internally developed and designed automated systems for processing court information. The Clerk's office had these systems developed and implemented in the mid 1980's before the Commonwealth of Virginia began its automation of the entire judicial system. These systems represented the state of the art of computerization of court systems when originally developed to handle the Court's significant workload.

One system records the receipt of all money in the Court; and the other system records case activity as well as fines and costs. These systems cannot share information and do not interface with the Commonwealth of Virginia's Supreme Court statewide systems. The Clerk's staff must manually enter financial data into both in-house systems separately and then enter summary information into the Supreme Court's financial management system.

Because of the age of these systems and the design options available at the time, neither system provides an optimum internal control environment. For example, the case management system cannot track

changes to individual fines and costs accounts. Therefore, the Clerk cannot use the system to effectively monitor, review or approve account updates or changes. The inability to effectively monitor this activity degrades the Clerk's ability to detect errors, fraud or other loss of funds.

The Clerk plans to implement a new comprehensive automated case management system within the next six months. As we have recommended in previous audits, the Clerk should ensure that any new system eliminates the need for entering data more than once and can interface or exchange information with any statewide court systems. The new system should also provide an adequate audit trail for financial transactions and enhance the Court's control environment.

Further the Clerk should work with the Executive Secretary of the Supreme Court to explore if both he and the Supreme Court could use this new system as a foundation for upgrading the Commonwealth's court systems. A partnership arrangement between the Clerk and the Supreme Court could benefit the entire Commonwealth and the County of Fairfax.

#### Strengthen Accounts Receivable Procedures

As noted in our previous report, the Clerk should strengthen procedures for establishing, monitoring and collecting the Court's receivables. We found the following conditions.

- The Clerk does not consistently notify the Department of Motor Vehicles of delinquent fines and costs. Section 46.2-395 of the Code of Virginia requires clerks to report all unpaid criminal and traffic cases. In 11 of 12 cases tested, the Clerk failed to notify the Department of Motor Vehicles for up to ten months after the cases became eligible for license suspension. Driver's license suspension is an important tool for the collection of delinquent fines and costs. The Clerk should promptly report all cases with unpaid fines and costs.
- The Clerk does not consistently send delinquent fines and costs to the Department of Taxation for collections. In all unpaid cases eligible for collections, the Clerk had not reported the delinquent accounts up to ten months later. To maximize collections, the Clerk should promptly report all unpaid fines and costs to the Department of Taxation.
- The Clerk did not properly record all delinquent fines and costs in the Judgment Lien Docket as required by Section 8.01-446 of the Code of Virginia. In 16 of 20 unpaid cases tested, the Clerk did not enter six cases up to one year later, and entered ten cases up to two months late. To maximize collection efforts, the Clerk should promptly record all unpaid fines and costs in the Judgment Lien Docket book.

- The Clerk did not properly report delinquent accounts to the Department of Taxation's Tax Set-Off collections. The Clerk sent none of the eligible cases tested up to seven months later. Section 2.2-4806 of the Code of Virginia requires the Court to take all appropriate and cost-effective actions to aggressively collect its accounts receivable.
- The Clerk does not establish accounts receivable on the case management system until after receiving sentencing orders. This often results in delays of up to three months between final case disposition and the set up of the accounts receivable. Additionally, we found two of twenty cases tested never entered in the system up to five months later. Promptly establishing accounts receivable is a vital process in efforts to collect fines and costs. The Clerk should revise the Court's procedure of waiting for a sentencing order and set up accounts receivable immediately after final case disposition. This will help increase the likelihood of collecting unpaid fines and costs.

Proper management of accounts receivable greatly enhances the collection of fines and costs. The Clerk should immediately strengthen the Court's procedures to ensure that receivables are properly established, monitored and collected.

#### Properly Assess Criminal Fees

Court staff does not consistently assess correct fees in criminal cases. In all misdemeanor appeal cases with trial dates after July 2002, Staff over assessed the District Court processing fees by \$7 as a result of misunderstanding the fee increase.

In all drug related cases where the defendant must enter a program, Staff assessed an additional \$150 to the Drug Offender Fee when not provided for in Section 17.1-275 A(11a) of the Code of Virginia. Staff was charging the defendant for the cost of the program, as allowed by Section 18.1-251 of the Code of Virginia. However, the funds received belong to the County or the program organization, and not the Commonwealth.

Staff does not always appropriately assess the Local Jail Admission Fee. In all cases where the defendant is remanded to the local jail only for DNA sampling, they assess the \$25 fee, which is not the intent of Section 15.2-1613.1 of the Code of Virginia.

The Clerk needs to be more diligent in the proper assessment and collection of criminal fees. The Clerk has a responsibility to assess fees in accordance with the Code of Virginia.

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We discussed these comments with the Clerk on June 27, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Michael P. McWeeny, Chief Judge  
Anthony H. Griffin, County Administrator  
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