

July 20, 2001

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 July 1, 1998 through March 31, 2001.

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.

Considerations for New Automated Systems

The Clerk's office continues to use two internally development 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 system 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 readily 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 is considering implementing a new comprehensive automated case management system in the future. The Clerk should ensure that any new system eliminates the need for entering data more than once and can interface with statewide court systems. The system should provide an adequate audit trail for financial transactions and enhance the court's control environment.

Properly Assess Fixed Felony Fee

The Clerk assessed the fixed felony fee once per eligible criminal case even in those cases that involved multiple offenses. Section 17.1-275.1 of the Code of Virginia requires clerks to assess the fee separately for each eligible offense. The Clerk should assess the fixed felony fee separately for each eligible offense.

Strengthen Accounts Receivable Procedures

The Clerk should strengthen procedures for establishing, monitoring, and collecting the court's accounts receivable. We found the following conditions.

- The Clerk does not establish accounts receivable in the case management system until after receiving signed sentencing orders. As a result, the Clerk may not set up the accounts receivable for up to two months after a case's final disposition. Promptly establishing accounts receivable is a vital process to help effectively collect fines and costs.

The Clerk should consider revising the court's policy of waiting for a sentencing order and set up accounts receivable immediately after final case disposition. This process will help increase the likelihood of collecting unpaid fines and costs.

- The Clerk had not reported delinquent accounts to the Department of Taxation's Tax Set-Off collections since March 1998. Section 2.1-733 of the Code of Virginia requires the court to take all appropriate and cost-effective actions to aggressively collect its accounts receivable. Subsequent to our audit, the Clerk reported the required information to the Department of Taxation.
- The Clerk does not consistently send notices of delinquent fines and costs to the Department of Motor Vehicles. Section 46.2-395 of the Code of Virginia requires clerks to report all unpaid criminal and traffic cases. 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 did not promptly enter all delinquent fines and costs in the Judgment Lien Docket as required by Section 8.01-446 of the Code of Virginia. In 11 of 20 unpaid cases tested, the Clerk did not enter five judgments at all; and entered the six other judgments up to six weeks late. To maximize collections efforts, the Clerk should promptly record all unpaid fines and costs in the Judgment Lien Docket Book.

Strong 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 Maintain the Trust Fund Order Book

The Clerk does not properly maintain the Trust Fund Order Book. While the Clerk has a book in which he records the annual report, he does not include any trust fund orders as required by Section 17.1-125 of the Code of Virginia. The Trust Fund Order Book is the court's central record of trust fund activity and as such, must include all reports, orders and decrees concerning trust funds received by clerks. The Clerk should immediately record all orders along with the annual reports in the Trust Fund Order Book.

We discussed these comments with the Clerk on July 20, 2001 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Michael P. McWeeny, Chief Judge
 Anthony H. Griffin, County Administrator
 Bruce Haynes, Executive Secretary
 Compensation Board
 Don Lucido, Director of Technical Assistance
 Supreme Court of Virginia
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