

**CLERK OF THE CIRCUIT COURT**  
**of the**  
**COUNTY OF FAIRFAX**  
**JOHN T. FREY**

**REPORT ON AUDIT**  
**FOR THE PERIOD**  
**JANUARY 1, 2007 THROUGH JUNE 30, 2008**





# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

August 28, 2008

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

Board of Supervisors  
County of Fairfax

Audit Period: January 1, 2007 through June 30, 2008  
Court System: County of Fairfax

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. 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.

## Management's Responsibility

Court 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.

## Internal Controls

However, we noted matters involving internal control and its operation necessary to bring to management's attention.

## Compliance

Additionally, the results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues provided by the Clerk are included as an enclosure to this report.

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

AUDITOR OF PUBLIC ACCOUNTS

WJK:kmk

cc: The Honorable Dennis Smith, Chief Judge  
Anthony H. Griffin, County Executive  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia  
Director, Division of Unclaimed Property  
Department of the Treasury  
Director, Admin and Public Records  
Department of Accounts

## COMMENTS TO MANAGEMENT

### Internal Controls and Compliance

We noted the following matters involving internal control and its operation that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. In addition, these items represent instances of noncompliance with applicable laws and regulations.

### Properly Monitor and Disburse Liabilities

The Clerk continues to hold \$1,926,039.45 in potential Unclaimed Property. Auditors noted various funds dating from 2001 that are eligible for remittance to the Commonwealth in accordance Section 55-210.12E of the Code of Virginia.

Auditors tested a sample 15 of these accounts, totaling \$65,287.10, and found the following types of accounts.

- \$968.20 in Criminal Bonds
- \$1,000 in Civil Bonds
- \$3,111.13 in Restitution
- \$60,207.77 in Chancery

Of these cases, auditors confirmed that all 15 items tested are eligible for escheatment to the Commonwealth. The Clerk should immediately remit these funds to the Treasurer of Virginia. To assist the Clerk, we are forwarding a copy of this report to the Treasurer of Virginia's Division of Unclaimed Property, so that they may assist him in escheating these accounts.

The Clerk should immediately review the \$1,860,752.35 balance in liability accounts; determine the status of each account; and disburse these funds to the appropriate party. Additionally, the Clerk should maintain correspondence with Judges, Attorneys, plaintiffs and defendants to assist in timely resolution of these cases; and should properly document this correspondence in each case file. For any monies held by the Clerk for a year or longer and identified as Unclaimed Property, the Clerk should remit these monies to the Commonwealth as required by the Code of Virginia.

### Strengthen Accounts Receivable Procedures and Improve Internal Controls

In 11 of 20 unpaid cases tested totaling \$8,040, court staff recorded judgments in the Judgment Lien Docket Book from several days up to 11 months late, and as of the audit date, six cases remained unrecorded.

To maximize collection efforts, the Clerk should ensure procedures are in place to promptly record all unpaid fines and costs in the Judgment Lien Docket Book. The Judgment Lien Docket is a public record of defendants who have affirmed and acknowledged their debt to the court law. Employers, creditors and other public entities use this information to make informed decisions and assist in the debt collection process. Any delay in reporting such information is a disservice to these users and increases the risk of making inappropriate business decisions.



JOHN T. FREY  
Clerk Of Circuit Court

COMMONWEALTH OF VIRGINIA

## *Fairfax Circuit Court*

4110 Chain Bridge Road  
Fairfax, Virginia 22030-4048

703-246-2770 TDD 703-352-4139



BARBARA A. KENNEY  
Chief Deputy

August 25, 2008

Walter J. Kucharski, Auditor  
Auditor of Public Accounts  
P.O. Box 1295  
Richmond, VA 23218

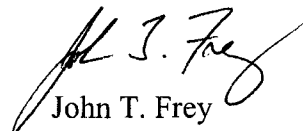
Dear Mr. Kucharski:

I received a copy of your audit of my office for the period of January 1, 2007 through June 30, 2008. The following is my corrective action plan as required by law.

1. Potential unclaimed property. I have directed my accounting staff to prepare a report which will show every case where a final order has been entered and the court is still holding monies. Where possible we will be forwarding appropriate unclaimed funds on a quarterly basis.
2. Docketing of criminal judgments. My staff has created an Abstract of Judgment Form to be completed in every criminal case. It contains the name of the defendant, case number, address, ssn/ol#, DOB, the date the judgment was docketed and the judgment number assigned. The form will allow staff to quickly determine whether or not a judgment has been docketed.

If you have any questions or need additional information, please contact me.

Sincerely,

  
John T. Frey

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