

February 11, 1999

David A. Bell
Clerk of the Circuit Court
County of Arlington

Board of Supervisors
County of Arlington

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Arlington for the period July 1, 1996 through March 31, 1998. We conducted our audit in accordance with generally accepted auditing standards.

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; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted weaknesses in internal controls that the Clerk needs to address as described below.

Improve Accounts Receivable Management

The Clerk does not have adequate procedures to ensure proper collection of past due and delinquent accounts. We observed the following:

- The Clerk does not establish accounts on the automated system until approximately six weeks after a case is heard. The Clerk waits until the Judge signs the court order before calculating costs and recording an account.
- The Clerk's staff did not assign proper due dates in 8 of 24 criminal cases tested (34%). As a result of these due date errors, the Clerk did not send delinquent accounts to the Department of Motor Vehicles (DMV) for license suspension or to the Commonwealth's Attorney and collection agent for collection.

- The Clerk does not promptly review the daily DMV Interface Exceptions Report. Past due accounts remained on the report from 1 to 21 months. This report lists defendants with past due criminal and traffic cases where the system interface did not send a notice of license suspension to the Department of Motor Vehicles. It requires clerks to take one of several actions to correct errors or to manually send notices to DMV.
- The Clerk does not promptly enter all unpaid fines and costs in the Judgment Lien Docket Book. For incarcerated individuals, it takes up to 3 months to record judgments after a case is ended.

To increase the collection of court revenues, the Clerk should establish receivables immediately upon the final disposition of the case as required by the Financial Management System User's Guide. The Clerk should follow the Supreme Court of Virginia's guidelines for determining payment due dates and ensure the staff assigned to monitor accounts receivable are properly trained in establishing due dates. Since driver's license suspension is an important tool for the collection of unpaid fines and costs, the Clerk should promptly review the DMV Interface Exceptions Report and take appropriate action to send all past due accounts to DMV. Finally, the Clerk should record all judgments in the Judgment Lien Docket Book promptly.

Subsequent to audit, the Clerk implemented changes in procedures to improve accounts receivable management based the above recommendations. The Clerk should ensure that he continues to monitor the daily activities of the Criminal Division.

We discussed these comments with the Clerk on February 8, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Paul F. Sheridan, Chief Judge
William Donohue, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance