



# Commonwealth of Virginia

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

**Walter J. Kucharski, Auditor**

November 9, 2004

The Honorable 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 April 1, 2003 through September 30, 2004.

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.

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.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

We noted a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable condition is in the section titled "Internal Control Findings and Auditor's Recommendations."

We do not believe this condition is a material weakness. A material weakness is a significant deficiency in the design or operation of internal controls that, in our judgment, could

reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed no instances of noncompliance that are required to be reported.

We discussed these comments with the Clerk on November 9, 2004 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

Enclosure

cc: The Honorable William T. Newman, Chief Judge  
Ronald Carlee, County Manager  
Bruce Haynes, Executive Secretary  
Compensation Board  
Paul Delosh, Director of Technical Assistance  
Supreme Court of Virginia  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Director, Admin and Public Records  
Department of Accounts

## INTERNAL CONTROL FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following finding is a reportable internal control matter that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk's response and written corrective action plan to remediate this finding are included as an enclosure to this report.

### Properly Manage Accounts Receivable

As noted in our previous audit, the Clerk needs to strengthen court procedures for managing accounts receivable. Specifically, we noted the following:

- As noted in the previous audit, court staff improperly altered individual accounts receivable due dates without appropriate documentation in five of 20 cases tested. Absent a court order, fines and costs resulting from criminal case convictions are due within fifteen days of sentencing. However, Section 19.2-354 of the Code of Virginia provides that defendants who are unable to pay within the fifteen day limit may enter into a payment agreement with the court. Staff should not change due dates without a court order or a signed payment agreement.
- In seven of 20 cases tested, the Clerk failed to enter delinquent fines and costs stemming from criminal cases into the Judgment Lien Docket Book up to 27 days late. Section 8.01-446 of the Code of Virginia, requires Clerk's to enter all judgments in the Judgment Lien Docket Book without delay.
- Lastly, in five of 20 cases tested, staff established individual accounts receivable in the automated system up to twenty-four days late. Section 4, page 1-1 of the Financial Management Users Guide, requires that fines and costs be entered in the system at the earliest time possible upon assessment.

The Clerk should implement procedures to ensure that court staff do not change due dates without a court order or a signed payment agreement in accordance with the Code of Virginia; staff enter all delinquent criminal fines and costs into the Judgment Lien Docket Book without delay; and finally, staff establish individual accounts in the Financial Management System promptly upon sentencing.



DAVID A. BELL  
CLERK, CIRCUIT COURT

**ARLINGTON COUNTY, VIRGINIA**  
**CLERK OF THE CIRCUIT COURT**  
1425 N. COURTHOUSE ROAD, SUITE 6700  
ARLINGTON, VIRGINIA 22201

November 16, 2004

To: Auditor of Public Accounts

From: David A. Bell, Clerk of Circuit Court

Pursuant to our discussion and exit memo dated November 4, 2004, I hereby propose the following corrective actions to address the matters therein set forth.

- 1) Court clerk staff is directed, (both verbally and in writing) to immediately turn files and court notes over to administrative staff upon returning from court. Administrative staff is directed (verbally and in writing) to enter fines and costs into F.M.S. system for the establishment of individual accounts and docketing into the judgment lien book by the end of the next working day. Files and notes should then immediately be returned to court clerk staff for court order preparation. Judges chambers staff is directed (verbally and in writing) to not remove case files upon filing of post-judgment motions until docketing and court orders are complete.
- 2) Administrative staff is directed (verbally and in writing) to not alter account receivable due dates unless and until a written agreement, signed by the defendant and approved by the administrative supervisor, is on file, which permits the alteration. Sentences will no longer go into the calculation other than as previously stated.

We agree with the essential finding that there were delays in following outlined procedures. We seriously question, however, whether those infractions could lead to "loss of revenue" or "compromise fiscal accountability". These are not traffic infractions. The defendants in question have been convicted of felonies, in many cases are serving substantial time and in most cases have already been determined by the court to be indigent. The record will reflect that the percentage of actual collections of both restitution and court costs collected by this office continues to increase. This is the result of increased effort on the part of existing staff since no increase in resources has been given to Circuit Court Clerks in spite of ever increasing duties including assuming the collection of fines, court costs and restitution from the Department of Corrections (probation & parole).

It is remarkable that the Commonwealth seems to expect the Clerks to perform more functions more quickly than ever before with less staff than existed two years ago. (This is certainly not the fault of the Auditor of Public Accounts).