

Audit Report

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**Office of the Clerk of Circuit Court  
Cecil County, Maryland**

July 2010

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**OFFICE OF LEGISLATIVE AUDITS  
DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY**

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**DEPARTMENT OF LEGISLATIVE SERVICES**  
**OFFICE OF LEGISLATIVE AUDITS**  
**MARYLAND GENERAL ASSEMBLY**

**Karl S. Aro**  
Executive Director

July 30, 2010

**Bruce A. Myers, CPA**  
Legislative Auditor

Senator Verna L. Jones, Co-Chair, Joint Audit Committee  
Delegate Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee  
Members of Joint Audit Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Office of the Clerk of Circuit Court for Cecil County, Maryland for the period beginning April 16, 2007 and ending April 4, 2010. The Office performs various functions for the public, including maintaining various legal records, recording certain real estate documents, collecting related fees and taxes, and issuing certain licenses.

Our audit disclosed that the Office did not always submit the final dispositions of motor vehicle cases to the State's Motor Vehicle Administration within the 10-day time frame required by State law. In addition, adequate controls were not established to ensure that the dispositions of criminal cases were properly entered into the automated court system.

The Judiciary's response to this audit, on behalf of the Office, is included as an appendix to this report. We wish to acknowledge the cooperation extended to us by the Office during the course of this audit.

Respectfully submitted,

**Bruce A. Myers, CPA**  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Office performs a variety of functions for the public such as filing, docketing, and maintaining various legal records; recording documents involving title to real estate; collecting the related fees, commissions, and taxes; and issuing certain licenses. In performing these functions, the Office collects funds on behalf of the State, Cecil County and its incorporated cities and towns, and others, and subsequently distributes the funds collected to the applicable entities.

### **Financial Information**

According to the State's accounting records, the Office's fiscal year 2009 revenues totaled \$8,573,146. These revenues were distributed in the following manner:

- \$4,789,744 was distributed to Cecil County and its incorporated cities and towns,
- \$317,436 was distributed to others, and
- \$3,465,966 (the remaining amount) represented revenues available to the State for purposes specified in various provisions of State law.

The Office's fiscal year 2009 operating expenses, which were paid primarily from a general fund appropriation, totaled \$1,815,455.

The Office also maintained custody of certain trust and special purpose funds that, according to its records, had balances totaling \$386,100 as of April 4, 2010.

### **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the two findings contained in our preceding audit report dated August 24, 2007. We determined that the Office had satisfactorily addressed one of these two findings. The remaining finding is repeated in this report.

# Findings and Recommendations

## Motor Vehicle Cases

### **Finding 1**

**The Office did not always refer the dispositions of motor vehicle cases to the Motor Vehicle Administration in a timely manner.**

### **Analysis**

The Office did not always transmit the dispositions of motor vehicle cases to the Motor Vehicle Administration (MVA) within the time frame required by the Administrative Office of the Courts (AOC). Our test of 20 motor vehicle cases that were filed with the Office during the period from December 2008 to January 2010, which resulted in guilty verdicts, disclosed that, for 4 cases, the Office did not inform the MVA of the cases' guilty dispositions for periods ranging from 8 to 179 days after the required time frame. All of these cases involved critical motor vehicle violations that, according to State law, mandated license suspensions or revocations (for example, driving under the influence, and driving a motor vehicle while impaired by alcohol). A similar condition was commented upon in our preceding audit report.

The Circuit Court adjudicates motor vehicle cases involving appeals from the District Court and cases in which the defendant requested a jury trial. The law requires the clerks of the court to report to the MVA the conviction, forfeiture of bail, dismissal of an appeal, or an acquittal in any case involving a violation of the Maryland Vehicle Law or other traffic law as directed by the AOC. Effective October 1, 2008, the clerks of the court are required to send a record of case disposition for each case involving a motor vehicle violation to the MVA within 10 days of conviction. (Prior to this date, the law required the transfer of the dispositions within 15 days.) The timely submission of this information by the Office is critical because the MVA is responsible for processing the dispositions of motor vehicle cases (for example, license revocation for driving while intoxicated), but cannot do so until the Office transmits the case records.

According to the Office's records, during fiscal year 2009, it adjudicated 685 motor vehicle cases.

### **Recommendation 1**

**We recommend that the Office refer the dispositions of motor vehicle cases to the MVA in accordance with the established time frame (repeat).**

## Criminal Cases

### **Finding 2**

**The Office lacked adequate procedures to ensure that the dispositions of criminal cases were properly entered into the automated court system.**

### **Analysis**

The Office lacked adequate procedures to ensure that the dispositions of criminal cases were properly entered into the automated court system. Specifically, our review disclosed that, for commitment cases, the information entered into the Uniform Court System (UCS) and the related commitment letters, were not independently compared to the original source documents (authorized by the judge) to ensure that the information was properly recorded. This is significant because, for State incarcerations, the commitment letter is used to record certain critical sentencing information on the Offender-Based State Correctional Information System and serves as the basis for the applicable prisoner's official release date.

Although, in January 2010, the Office implemented an independent review process (on a test basis) to ensure that criminal case dispositions as recorded in the original source documents were accurately recorded in UCS, these reviews were not adequately performed. Specifically, the Office did not ensure that criminal cases with commitment letters were included in this review process, and the Office lacked documentation to support that certain reviews had been performed.

As a result of these conditions, the Office lacked assurance that criminal case dispositions were properly entered onto the UCS and reported on the commitment letters sent to the applicable correctional facilities. According to the Office's records, during fiscal year 2009, it adjudicated 1,942 criminal cases.

### **Recommendation 2**

**We recommend that the Office**

- a. perform independent reviews of criminal case dispositions entered into UCS, including any related commitment letters, at least on a test basis; and,**
- b. retain documentation to support all case reviews performed.**

## **Audit Scope, Objectives, and Methodology**

We have audited the Office of the Clerk of Circuit Court for Cecil County, Maryland for the period beginning April 16, 2007 and ending April 4, 2010. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Office's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included cash receipts (including taxes and fees collected for real estate transactions), bank accounts, accounts receivable, and recordation of the dispositions of court cases. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Office's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to the Office by the Administrative Office of the Courts. These support services (such as payroll, processing of invoices, and maintenance of budgetary accounting records) are included within the scope of our audits of the Judiciary.

The Office's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes a condition that we consider to be a significant deficiency in the design or operation of internal control that could adversely affect the Office's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. This report also includes a finding regarding a significant instance of non-compliance with applicable laws, rules, or regulations. Other less significant findings were communicated to the Office that did not warrant inclusion in this report.

The Judiciary's response, on behalf of the Office, to our findings and recommendations is included as an appendix to this report. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise the Judiciary regarding the results of our review of its response.

## APPENDIX



ROBERT M. BELL  
CHIEF JUDGE

COURT OF APPEALS OF MARYLAND  
ROBERT C. MURPHY COURTS OF APPEAL BUILDING  
361 ROWE BOULEVARD  
ANNAPOLIS, MARYLAND 21401-1699

July 22, 2010

Mr. Bruce A. Myers, CPA  
Legislative Auditor  
Office of Legislative Audits  
301 West Preston Street  
Baltimore, MD 21201

Dear Mr. Myers:

We have received the Legislative Auditor's Draft Audit Report pertaining to the audit of the Office of the Clerk of the Circuit Court for Cecil County, Maryland for the period beginning April 16, 2007 and ending April 4, 2010. The following are our responses to the audit findings and recommendations in the report:

Finding 1  
Motor Vehicle Cases

We concur with the finding and recommendation. Existing procedures have been strengthened to ensure that the disposition of all motor vehicle cases are transmitted to the State Motor Vehicle Administration (MVA) in accordance with the time frame established by law.

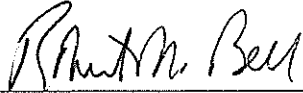
Finding 2  
Criminal Cases

We concur with the finding and recommendation. The Clerk's Office has confirmed that criminal case dispositions were properly entered in the Uniform Case System on an informal basis since January 2010. A new office procedure has been developed and implemented to formally review court criminal case dispositions. An employee independent of the criminal disposition function now performs verification reviews on a test basis, comparing the dates on the manual court forms to the dates on the commitment letters and in the Uniform Court System. The results of the reviewed criminal dispositions are documented on a log that is signed, dated, and maintained for future reference.

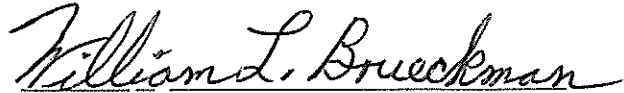
Mr. Bruce A. Myers  
July 22, 2010  
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We believe we have responded in full to both findings and recommendations in the audit report.

Very truly yours,



Robert M. Bell



William L. Brueckman  
Clerk of the Circuit Court for Cecil County

cc: Hon. O. Robert Lidums, Administrative Judge  
Frank Broccolina, State Court Administrator  
Faye Gaskin, Deputy State Court Administrator  
Ssali S. Luwemba, Director of Internal Audit

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