

Audit Report

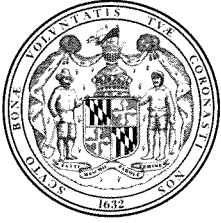
**Office of the Clerk of Circuit Court
Prince George's County, Maryland**

February 2014



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

February 27, 2014

Thomas J. Barnickel III, CPA
Legislative Auditor

Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Delegate Guy J. Guzzone, 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 Prince George's County, Maryland for the period beginning October 6, 2010 and ending October 7, 2013. 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 take sufficient action to address a prior audit report recommendation to ensure that the dispositions of all past motor vehicle cases were reported to the State's Motor Vehicle Administration.

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,

Thomas J. Barnickel III, 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, Prince George's County and its incorporated municipalities, 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 2013 revenues totaled \$34,266,496. These revenues were distributed in the following manner:

- \$1,841,446 was distributed to Prince George's County and its incorporated municipalities,
- \$34 was distributed to others, and
- \$32,425,016 (the remaining amount) represented revenues available to the State for purposes specified in various provisions of State law.

The Office's fiscal year 2013 operating expenses, which were paid primarily from a general fund appropriation, totaled \$10,750,896.

The Office also maintained custody of certain trust and special purpose funds that, according to its records, had balances totaling \$3,256,465 as of August 31, 2013.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the three findings contained in our preceding audit report dated April 18, 2011. We determined that the Office had satisfactorily addressed two of these three findings. The remaining finding is repeated in this report.

Findings and Recommendations

Finding 1

The Office did not ensure that the dispositions of certain past motor vehicle cases were referred to the Motor Vehicle Administration as required.

Analysis

In our two preceding audit reports dating back to April 2008, we noted that the Office did not refer the disposition of certain motor vehicle cases from July 2005 to January 2007 to the Motor Vehicle Administration (MVA) as required. Our current review disclosed that while current cases were generally being transmitted, the Office could not document that all 365 past cases had been reviewed and subsequently transmitted to the MVA. Our review of eight of these cases disclosed that while three of the cases had been transmitted to the MVA, the remaining five were not transmitted to the MVA until December 4, 2013, which is the day we inquired about these cases. We were advised by MVA personnel that the MVA will process these older cases once the Office transmits them.

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 send a record of case disposition, for each case involving a motor vehicle violation, to the MVA. The timely submission of this information by the Office is critical because the MVA is responsible for processing the disposition of motor vehicle cases (for example, license revocation for driving while intoxicated), but cannot do so until the Office transmits the case records.

Recommendation 1

We recommend that the Office review its records of MVA cases and ensure that all past cases have been transmitted to the MVA (repeat).

Audit Scope, Objectives, and Methodology

We have audited the Office of the Clerk of Circuit Court for Prince George's County, Maryland for the period beginning October 6, 2010 and ending October 7, 2013. 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) and bank accounts. 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. The reliability of data used in this report for background or informational purposes was not assessed.

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, invoice processing 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.

Our audit did not disclose any conditions that we consider to be significant deficiencies 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. Our audit did disclose a significant instance of non-compliance with applicable laws, rules, or regulations.

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

STATE OF MARYLAND JUDICIARY
DEPARTMENT OF INTERNAL AUDIT

ROBERT C. MURPHY COURTS OF APPEAL BUILDING
ANNAPOLIS, MARYLAND 21401

CHIEF JUDGE
MARY ELLEN BARBERA

DIRECTOR OF INTERNAL AUDIT
SSALI S. LUWEMBA



PLEASE REPLY TO:

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February 19, 2014

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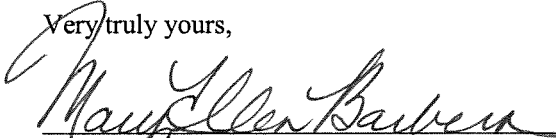
Dear Mr. Barnickel:


We have received the Legislative Auditor's Draft Audit Report pertaining to the audit of the Office of the Clerk of Circuit Court for Prince George's County, Maryland, for the period beginning October 6, 2010 and ending October 7, 2013. The following is our response to the audit finding and recommendation in the report:

Finding 1: Motor Vehicle Cases

We concur with the finding and recommendation. Due to high staff turnover and high caseload there was a backlog of motor vehicle cases. The Clerk's Office has hired contractors whose sole responsibility is to address the backlog of motor vehicle cases to ensure that the dispositions of all motor vehicle cases are transmitted to the State Motor Vehicle Administration (MVA) in accordance with the time frame established by law.

Very truly yours,


Mary Ellen Barbera


Marilynn M. Bland
Clerk of the Circuit Court for
Prince George's County

cc: Hon. Sheila R. Tillerson Adams, Administrative Judge for Prince George's County
Pamela Q. Harris, State Court Administrator
Faye D. Matthews, Deputy State Court Administrator
Ssali S. Luwemba, Director of Internal Audit

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