

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



Clerk of the Circuit Court July 19, 2023

Report Number: 24-003
Audit Plan Number: 24-006

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AUDIT OBJECTIVES & SCOPE

Audit Objectives:

1. To ensure manual activity was properly documented and recorded in the automated financial system.

Yes – We concluded that manual activity was properly documented and recorded.

2. To ensure the Clerk was properly handling and accounting for monies held pursuant to Section 8.01-600 of the Code of Virginia, which relates to trust funds and monies under control of the court.

Yes – We concluded that trust funds/monies under the control of the court were properly handled and accounted for.

3. To ensure the Clerk had appropriate controls and procedures for recording, accounting for, and expending non-reverting funds per Code of Virginia, sections 17.1-295, 17.1-276, 17.1-258.3, 17.1-258.3:2.

Yes – We concluded that the Clerk had appropriate controls and procedures for recording, accounting for, and expending non-reverting funds.

4. To ensure the Clerk had assessed, receipted, and recorded taxes and fees for deeds and contracts, wills and administrations, and civil matters in accordance with the Code of Virginia, Supreme Court of Virginia Fee Schedule, and applicable local ordinances.

Yes – We concluded that the Clerk had assessed, receipted, and recorded taxes and fees for deeds and contracts, wills and administrations, and civil matters appropriately in accordance with Code of Virginia, Supreme Court of Virginia Fee Schedule, and applicable local ordinances.

Audit Scope:

Manual receipts, trusts, non-reverting funds, deeds and contracts, wills and administrations, and civil matters performed by the Clerk of Circuit Court for the period of April 1, 2022 through March 31, 2023, as per the objectives and audit program outlined by the Virginia Auditor of Public Accounts [APA].

BACKGROUND

The Circuit Court of the City of Roanoke is the City's Court of General Jurisdiction, as established by the General Assembly of Virginia. The responsibilities of the Clerk of the Circuit Court include serving as recorder of deeds, probating of wills and qualifications of personal administrators of estates, handling of trust funds established by the court, issuing marriage licenses, collecting civil fees, creating court records, and certifying and archiving all records of the Circuit Court and other records as provided by law. Fees and monies administered by the Clerk of the Circuit Court are subject to audit annually by the Commonwealth's Auditor of Public Accounts. The Municipal Auditing Department completes a portion of the APA's annual audit program in return for a waiver of audit fees. Our work is submitted to the APA for review and incorporation into their final report.

The following audit steps were completed by Municipal Auditing as assigned by the APA and in accordance with the APA's instructions:

- Manual Receipts
- Trust Funds / Monies under Control of the Court
- Non-Reverting Funds
- Deeds and Land Records
- Wills and Administrations
- Civil Casework

METHODOLOGY AND RESULTS

In accordance with the audit program provided by the APA, we performed the following steps:

Manual Receipts

- Agreed the continuity of manual receipts to prior year work papers, documented both receipts used during the audit period and all unused receipts on hand. **No exceptions were noted.**

Trust Funds

- Verified the 2022 Trust Fund Annual Report was filed with the court by the October 1st deadline, was publicly accessible, contained no confidential information, and conformed to Code of Virginia Section 8.01-600 (G) requirements. **No exceptions were noted.**
- Reconciled the ending balance reported in the Trust Fund Annual Report to the Court's general ledger balance and bank statement ending balance as of June 30, 2022 and verified that individual accounts recorded appropriate interest postings. **No exceptions were noted**
- Haphazardly selected five [5] new court ordered trust funds, for which we verified receipts contained all pertinent information and agreed to court orders, accounts created prior to June 30, 2022 were traceable to the Trust Fund Annual Report, court orders were publically accessible, appropriate fees were deducted, funds were invested within 60 days of receipt, accounts were reported as a public funds, distribution dates were appropriate and the Clerk was justified in holding the funds under Code of Virginia Section 8.01-600. **No exceptions were noted.**
- Haphazardly selected five [5] trust fund disbursements, for which we verified disbursements were supported by appropriate documentation or court orders, were posted to the proper trust fund accounts, appropriate fees were deducted, and funds were paid out within 60 days of the court order or other documentation as required under Code of Virginia section 8.01-600(F). **No exceptions were noted.**
- Randomly selected five [5] individual trust accounts and reconciled March 31, 2023 ending balances per the Court's general ledger to ending balances per the bank statement and verified accounts were reported as public funds. **No exceptions were noted.**

Non-Reverting Funds

- Haphazardly selected 10 entries from non-reverting accounts, which were agreed to supporting documentation and reviewed for appropriateness in accordance with applicable Code of Virginia sections. ***No exceptions were noted.***

Deeds and Land Records

- Selected five [5] deeds based on the largest amounts of state taxes paid, for which we recalculated taxes and fees and verified they were properly assessed and collected in accordance with the Code of Virginia, Supreme Court of Virginia Fee Schedule, and applicable local ordinances. ***No exceptions were noted.***

Wills and Administrations

- Selected 10 wills based on the largest amounts of state taxes paid, for which we recalculated taxes and fees and verified they were properly assessed and collected in accordance with the Code of Virginia, Supreme Court of Virginia Fee Schedule, and applicable local ordinances. ***No material exceptions were noted.***

Civil Casework

- Randomly selected 10 civil cases, for which we recalculated taxes and fees and verified they were properly assessed, receipted timely and collected in accordance with the Code of Virginia, Supreme Court of Virginia Fee Schedule, and applicable local ordinances. ***No exceptions were noted.***

CONCLUSION

We conclude that the Office of the Clerk of the Circuit Court materially complied with laws and regulations tested related to manual receipts, trust funds, non-reverting funds, deeds and land records, wills and administrations and civil casework. We have submitted our work to the APA for review and incorporation into the results of the overall audit.

We would like to thank the management and staff of the Office of the Clerk of the Circuit Court for their cooperation and assistance during the course of this audit.



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