

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



Clerk of the Circuit Court

April 14, 2017

Report Number: 17013
Audit Plan Number: 17015

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AUDIT OBJECTIVES & SCOPE

Audit Objectives:

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

Yes – We conclude that the Clerk has assessed, receipted, and recorded taxes and fees in accordance with state laws.

2. To ensure the Clerk is properly managing and accounting for monies held pursuant to Section 8.01-600 of the Code of Virginia.

Yes – We conclude that funds held in trust through the court were properly managed and accounted for.

3. To ensure all manual activity is properly documented and recorded in the automated financial system.

Yes – We conclude that manual activity is properly documented and recorded.

4. To ensure fees collected in association with secure remote access and other digital services are properly assessed, collected, and recorded; appropriate methodology and controls are in place with regard to the expensing of these non-reverting funds and funds are used for appropriate operational expenses as defined in the Code of Virginia.

Yes – We conclude that non-reverting funds are properly assessed, collected, and recorded and that appropriate controls are in place regarding the use of these funds.

Audit Scope:

Civil cases, wills, deeds, trusts, and transactions performed by the Clerk of Circuit Court for the period of January 1, 2016 through December 31, 2016 as per the objectives and audit program outlined by the APA.

BACKGROUND

The Circuit Court of the City of Roanoke is the City's court of general jurisdiction, 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 qualification 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. All fees and monies administered by the Clerk of the Circuit Court are subject to audit annually by the Virginia Auditor of Public Accounts [APA]. The Municipal Auditing department completes a portion of the Commonwealth's annual audit program for the APA in return for a waiver of audit fees. Our work is submitted to the APA for review and incorporation into their final report.

All audit steps and sample sizes to be completed by Roanoke City Municipal Auditing Department are determined by the APA. The Municipal Auditing Department was assigned the following audit steps from the APA's audit program to meet the stated objectives outlined above:

- 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:

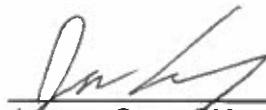
- Randomly selected fifteen [15] civil cases, for which we recalculated all taxes and fees and verified cases were properly assessed and receipted in accordance with state law. *No exceptions were noted.*
- Judgmentally selected five [5] deeds, for which we recalculated all taxes and fees and verified they were properly assessed and collected in accordance with state law. *No exceptions were noted.*
- Judgmentally selected five [5] wills, for which we recalculated all taxes and fees and verified they were properly assessed and collected in accordance with state law. *No exceptions were noted.*
- Reviewed the Trust Fund Order Book to verify that it included the Annual Report, and that the report contained no confidential information and conforms to Code of Virginia Section 8.01-600 (G) requirements. *No exceptions were noted.*
- Determined the Trust Fund Order Book was properly safeguarded from the public and the Annual Report to the court was filed by the October 1st deadline. *No exceptions were noted.*
- Reconciled the ending balance of the Trust Fund Annual Report to the bank statement ending balance as of June 30, 2016 and verified that individual accounts recorded appropriate interest postings. *No exceptions were noted.*
- Reconciled the ending balance of the Trust Fund Annual Report to the general ledger balance as of June 30, 2016. *No exceptions were noted.*
- Judgmentally selected five [5] new court ordered trust funds, for which we verified appropriate fees were charged and deposited timely in accordance with state law. *No exceptions were noted.*
- Judgmentally selected five [5] trust fund disbursements, for which we verified payments were in accordance with court orders, appropriate fees were deducted, and funds were paid out timely as required by state law. *No exceptions were noted.*
- Randomly selected five [5] individual trust accounts and reconciled the ending balances on the Liabilities Index to the ending balance on the December 31, 2016 bank statement. *No exceptions were noted.*

- Randomly selected five [5] manual receipts to ensure the transactions were properly documented and recorded in the automated financial system. *No exceptions were noted.*
- Reviewed the court's general ledger to identify all non-reverting funds and the controls in place to monitor the spending and use of those funds. *No exceptions were noted.*
- Randomly selected five [5] entries from non-reverting accounts and traced to supporting documentation and reviewed for appropriateness. *No exceptions were noted.*

CONCLUSION

Based on the results of our audit work, we conclude that the Clerk of the Circuit Court materially complied with the Code of Virginia in those areas subjected to our review in accordance with the APA's audit program [civil processes, deeds, wills, trusts, manual receipts and non-reverting funds]. 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 Clerk of the Circuit Court's office for their cooperation and assistance during the course of this audit.



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