

MUNICIPAL AUDITING REPORT CITY OF ROANOKE



Clerk of the Circuit Court

June 26, 2018

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Audit Plan Number: 18017

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AUDIT OBJECTIVES & SCOPE

Audit Objectives:

1. 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.

2. To ensure the Clerk is properly managing 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 conclude that trust funds/monies under the control of the court were properly managed and accounted for.

3. To ensure the Clerk has appropriate controls and procedures for the recording, accounting for, and expenditure of 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 conclude that the Clerk has appropriate controls and procedures for the recording, accounting for, and expenditure of non-reverting funds.

4. To ensure the Clerk has 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 conclude that the Clerk has assessed, receipted, and recorded taxes and fees for deeds and contracts appropriately in accordance with state and local laws.

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 January 1, 2017 through December 31, 2017, as well as the period January 1, 2018 through March 31, 2018, 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:

Manual Receipts

- Haphazardly selected manual receipts to ensure the transactions were properly documented and recorded in the automated financial system.
 - Calendar Year 2017: A sample of [5] manual receipts was dictate by the APA. However, only 2 manual receipts were receipted during the year. Therefore, a sample of [2] was selected and tested. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [5] manual receipts. *No exceptions were noted.*

Trust Funds

- Reviewed the Trust Fund Order Book to verify that it included the Annual Report, that the Annual Report was filed by the October 1st deadline, and that the Report contained no confidential information and conforms to Code of Virginia Section 8.01-600 (G) requirements. *No exceptions were noted.*
- Reconciled the ending balance of the Trust Fund Annual Report to the general ledger balance as of June 30, 2017. *No exceptions were noted*
- Reconciled the ending balance of the Trust Fund Annual Report to the bank statement ending balance as of June 30, 2017 and verified that individual accounts recorded appropriate interest postings. *No exceptions were noted.*
- Randomly selected new court ordered trust funds, for which we verified the receipt agreed to the court order, the court order is included in the Trust Fund Order Book, appropriate fees were charged, funds were invested within 60 days of receipt, and the Clerk is justified in holding the funds under Code of Virginia sections 8.01-600(F).
 - Calendar Year 2017: Selected a sample of [5] new orders. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [1] new order. *No exceptions were noted.*
- Randomly selected five trust fund disbursements, for which we verified payments were in accordance with court orders, were posted to the proper trust fund account, appropriate fees were deducted, and funds were paid out timely as required by state law.
 - Calendar Year 2017: Selected a sample of [5] disbursements. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [1] disbursement. *No exceptions were noted.*
- Randomly selected five [5] individual trust accounts and reconciled the ending balances per the ledger to the ending balance on the December 31, 2017 bank statement. *No exceptions were noted.*

Non-Reverting Funds

- Reviewed the court's general ledger to identify all non-reverting funds; discussed with the Clerk the use of these funds, if the funds are combined into one account, and the controls in place to monitor the spending and use of those funds. *No exceptions were noted.*

- Randomly selected entries from the non-reverting accounts, traced to supporting documentation and reviewed for appropriateness. *No exceptions were noted.*
 - Calendar Year 2017: Selected a sample of [5] non-reverting fund disbursements. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [2] non-reverting fund disbursements. *No exceptions were noted.*

Deeds and Land Records

- Selected deeds based on the largest amounts of state taxes paid, for which we recalculated all taxes and fees and verified they were properly assessed and collected in accordance with state law.
 - Calendar Year 2017: Selected a sample of [5] deeds. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [2] deeds. *No exceptions were noted.*

Wills and Administrations

- Selected wills based on the largest amounts of state taxes paid, for which we recalculated all taxes and fees and verified they were properly assessed and collected in accordance with state law.
 - Calendar Year 2017: Selected a sample of [5] wills. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [2] wills. *No exceptions were noted.*


Civil Casework

- Randomly selected civil cases, for which we recalculated all taxes and fees and verified cases were properly assessed and receipted in accordance with state law.
 - Calendar Year 2017: Selected a sample of [5] civil cases. *No exceptions were noted.*
 - First Quarter 2018: Selected a sample of [2] civil cases. *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 subject 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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