

# MUNICIPAL AUDITING REPORT CITY OF ROANOKE



**Clerk of the Circuit Court**  
**June 21, 2019**

Report Number: 19009  
Audit Plan Number: 19013

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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 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 conclude that the Clerk has appropriate controls and procedures for recording, accounting for, and expending 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, wills and administrations, and civil matters 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 April 1, 2018 through March 31, 2019, 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, 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 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.

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 continuity of manual receipts to prior year work papers, documented receipts used during the audit period, and all unused receipts on hand. *No exceptions were noted.*
- Haphazardly selected a sample of five [5] manual receipts to ensure the transactions were properly documented and recorded in the automated financial system. *No exceptions were noted.*

### Trust Funds

- Reviewed the Trust Fund Order Book to verify it was included within the publically accessible Annual Report; the Annual Report was filed by the October 1<sup>st</sup> deadline; the Report contained no confidential information; the expected distribution dates are appropriate for accounts with balances; and it 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 Court's general ledger balance as of June 30, 2018. *No exceptions were noted*
- Reconciled the ending balance of the Trust Fund Annual Report to the bank statement ending balance as of June 30, 2018, verified that individual accounts recorded appropriate interest postings, and verified there was an appropriate audit trail to identify invested funds. *No exceptions were noted.*
- Selected five [5] new court ordered trust funds, for which we verified the receipt agreed to the court order, the court order was included in the Trust Fund Order Book or publically accessible civil case file, accounts invested before June 30, 2018, were traceable to the Annual Report, appropriate fees were charged and deducted, funds were invested within 60 days of receipt, and the Clerk was justified in holding the funds under Code of Virginia sections 8.01-600(F). *No exceptions were noted.*
- Selected five [5] trust fund disbursements, for which we verified disbursements 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. *No exceptions were noted.*
- Selected five [5] individual trust accounts and reconciled the ending balances per the Court's general ledger to the ending balance on the December 31, 2018, 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 were combined into one account, and the controls in place to monitor the spending and use of those funds. *No exceptions were noted.*
- Randomly selected ten [10] entries from the non-reverting accounts, which we agreed to supporting documentation and reviewed for appropriateness. *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 all taxes and fees and verified they were properly assessed and collected in accordance with state law. *No exceptions were noted.*

## **Wills and Administrations**

- Selected ten [10] 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. *One exception was noted.*
  - Due to the exception noted, we selected an additional sample of three [3] wills as directed by the APA, 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.*

## **Civil Casework**

- Randomly selected ten [10] 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.*

## CONCLUSION

We conclude that the Office of the Clerk of the Circuit Court materially complied the laws and regulations we tested related to 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 Office of the Clerk of the Circuit Court for their cooperation and assistance during the course of this audit.

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