

February 16, 1999

Rebecca Hogan  
Clerk of the Circuit Court  
County of Frederick

Board of Supervisors  
County of Frederick

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Frederick for the period April 1, 1997 through March 31, 1998. We conducted our audit in accordance with generally accepted auditing standards.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

#### Collect Taxes and fees for Qualifications

The Clerk does not collect taxes before qualifying individuals as an executor or administrator of an estate as required by Section 58.1-1715 of the Code of Virginia. The Clerk collects taxes after the filing of the final inventory with Commissioner of Accounts rather than estimating the value of the estate at qualification. In 12 of 15 cases tested, the Clerk permitted individuals to qualify and subsequently billed them \$3,222 in taxes and fees. The Clerk has a statutory responsibility to collect taxes using the estimated value of the estate before permitting an individual to qualify.

We discussed these comments with the Clerk on March 8, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Porter R. Graves, Chief Judge  
John R. Riley, County Administrator  
Bruce Haynes, Executive Secretary  
Compensation Board  
Martin Watts, Court Analyst  
Supreme Court of Virginia  
Paul Delosh, Technical Assistance  
Supreme Court of Virginia