

Audit Report

**Office of the Trust Clerk to the Circuit Court
Baltimore City, Maryland**

April 2008



**OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY**

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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Bruce A. Myers, CPA
Legislative Auditor

April 8, 2008

Senator Verna L. Jones, Co-Chair, Joint Audit Committee
Delegate Steven J. DeBoy, Sr., Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Office of the Trust Clerk to the Circuit Court for Baltimore City, Maryland for the period beginning June 1, 2005 and ending December 31, 2007.

Our audit did not disclose any findings.

Respectfully submitted,

Bruce A. Myers, CPA
Legislative Auditor

Background Information

Agency Responsibilities

The Office of the Trust Clerk to the Circuit Court for Baltimore City oversees the administration of guardianships, estates, trusts, and receiverships under the jurisdiction of the Circuit Court for Baltimore City. The Trust Clerk performs this function by reviewing certain accounting reports filed by the fiduciaries in accordance with the Maryland Rules of Procedure (Title 10 and Title 13). For performing this function, the Office collected certain fees established by the Court. These fees are deposited to the State's General Fund.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the Office's internal controls. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations.

A draft copy of this report was provided to the Office. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have audited the Office of the Trust Clerk to the Circuit Court for Baltimore City, Maryland for the period beginning June 1, 2005 and ending December 31, 2007. The audit was conducted in accordance with generally accepted government auditing standards.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Office's financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Office's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to the Office by the Office of the Clerk of Circuit Court for Baltimore City (such as cash receipts and payment of operating expenses) and the Administrative Office of the Courts (such as payroll, processing of invoices, and maintenance of budgetary accounting records). These support services are included within the scope of our audits of the Office of the Clerk of Circuit Court and the Judiciary.

Our audit scope was limited with respect to the Office's cash transactions because the Office of the State Treasurer was unable to reconcile the State's main bank accounts during a portion of the audit period. Due to this condition, we were unable to determine, with reasonable assurance, that all Office cash transactions prior to July 1, 2005 were accounted for and properly recorded on the related State accounting records as well as the banks' records.

The Office's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules, and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

Paul R. Denz, CPA
Audit Manager

Laura J. Hilbert, CFE
Senior Auditor