



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Chaz W. Haywood
Clerk of Circuit Court
80 Court Square
Harrisonburg, Virginia 22802

We have performed the procedures enumerated below, which were agreed to by the Clerk of Circuit Court and the Commonwealth of Virginia Auditor of Public Accounts (APA), solely to assist you in evaluating the internal controls over certain records and transactions for the Clerk of Circuit Court for the year ended June 30, 2017. The Clerk of Circuit Court is responsible for the internal controls over his records and transactions. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures performed during this engagement were in accordance with Chapter 6, *Audit of Circuit Court Clerks* of the *Specifications for Audits of Counties, Cities and Towns*, issued by the APA. Our findings from the agreed-upon procedures are as follows:

Deed Room Receipts

- We identified six deed room receipts which lacked sufficient documentation to allow for the tracing of individual deed room collections into the Financial Management System (FMS), which was a result of the Clerk's deed room system conversion that occurred in October 2016. Records from the previous deed room system were not accessible during fieldwork.

Banking

- We identified a lack of review and preparation over the main checking account bank reconciliation for all months under audit.
- We identified nine trust accounts that were not properly identified as public depositories.

This agreed-upon procedures engagement of the Clerk of Circuit Court was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the internal controls of the Clerk of Circuit Court. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Clerk of Circuit Court and the APA of the Commonwealth of Virginia and is not intended to be and should not be used by anyone other than these specified parties.

P. B. Mares, LLP

Harrisonburg, Virginia
March 30, 2018



COMMONWEALTH OF VIRGINIA
Rockingham County
OFFICE OF THE CLERK OF CIRCUIT COURT
80 Court Square
Harrisonburg, Virginia 22802
540-564-3111



Chaz W. Haywood, Clerk
April Wolverton, Chief Deputy

April 3, 2018

Re: audit year ending June 30, 2017

PBMares completed an audit of records of this office for a period of July 1, 2016 to June 30, 2017. The representatives of PBMares met with me and members of my staff multiple times during their review. I am pleased with the improvements made to matters found in the previous audit and appreciate several areas they have pointed out that require attention.

The conversion of our land records system and our inability to access certain older reports and accounts, continued to cause issues throughout a good portion of this fiscal year. With the inability to retrieve reports from our previous vendor, we were unable to trace back transactions to daily journal vouchers. The next audit term should completely remove this issue as it only includes the new land vendor Tyler, Inc.

My office sought professional accounting services to create new methods for monthly reconciliation of bank statements. This use of national best practices allows us better review and reconciliation each month.

Our bank corrected all trust account matters when it was brought to their attention. They were unaware of the "public depository" statute and have corrected this matter.

Working with the professional auditors from PBMares continues to be of great benefit to my staff as we consistently look for ways to improve and identify possible shortcomings.

All my best,

Chaz W. Haywood, CLERK

cc: Rockingham County BOS
Harrisonburg City Council
Judge Wilson
Judge Albertson
Judge Ritchie
APA