

November 25, 2019

Mr. Michael Hamp II, City Manager
Dr. Jeffrey Cassell, School Superintendent
Mr. Gregory Hitchin, Director, Economic Development Authority
City of Waynesboro
Waynesboro, Virginia

We have audited the financial statements of the City of Waynesboro, Virginia, as of and for the year ended June 30, 2019, and have issued our report thereon dated November 25, 2019. During our audit, we noted the following matters involving the internal control structure and its operation that were not significant enough to meet the definition of a significant deficiency or a material weakness. The purpose of this letter is to communicate these matters to you for consideration of corrective action in future periods.

COMMENTS REPEATED FROM THE PREVIOUS YEAR:

Food Service Accounts - School Board

During our testing, we noted a bank reconciliation was prepared for the School Food Service bank account at June 30, 2019, however, this balance was not adjusted in Tyler Munis. Student account balances payable were also not adjusted in Tyler Munis at June 30, 2019. All cash accounts should be reconciled and transactions should be recorded in Tyler Munis to prevent materially misstating the financial statements. We recommend that the School Food Service account and the student account balances be reconciled monthly to the amount due to the student at the end of each month.

Fixed Assets - Economic Development Authority

During our audit, we noted that the EDA does not formally track fixed asset additions. With the development of the Exit 96 property beginning, this is imperative to providing materially correct financial statements. We recommend that the EDA develop procedures related to tracking and capitalizing appropriate items. The values and useful lives of these items should be addressed consistent with capitalization policies.

Subledger Reconciliations - City

Various subledgers within the City's Tyler Munis software had not been reconciled to their corresponding general ledger balances as of June 30, 2019 prior to the audit process. We recommend that all subledgers be reconciled to the general ledger monthly to allow for more accurate interim evaluation of the City's financial results and position.

City and School officials responded to all other recommendations from prior years accordingly.

CONDITIONS NOTED DURING FISCAL YEAR 2019

Journal Entry Segregation of Duties - City

During our testing, we noted that certain employees within the City can circumvent internal controls over journal entries. A system of internal controls over financial reporting includes controls over the posting of journal entries. Client personnel should not be able to post journal entries without the review or approval of another individual. All journal entries should be accompanied by adequate supporting documentation and utilize the workflow process within Tyler Munis.

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This report is intended for the information and use of management, others within the organization, and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

Didawick & Company, P.C.

pc: Mr. Cameron S. McCormick, Finance Director
Ms. Vonda A. Hutchinson, Finance Director, Waynesboro Public Schools