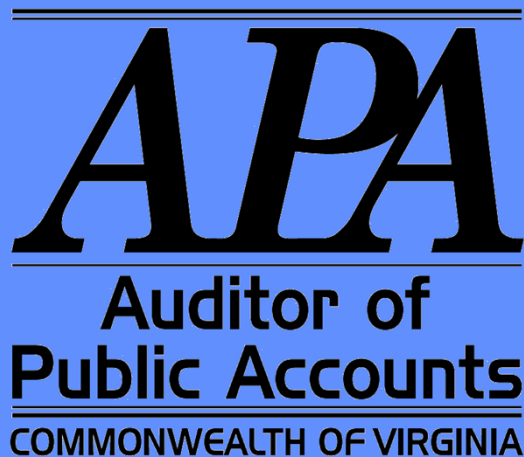


**CHARLES W. EVANS-HAYWOOD
CLERK OF THE CIRCUIT COURT
OF THE
COUNTY OF ROCKINGHAM**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2010 THROUGH MARCH 31, 2011**



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Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 3, 2011

The Honorable Charles W. Evans-Haywood
Clerk of the Circuit Court
County of Rockingham

Board of Supervisors
County of Rockingham

Audit Period: April 1, 2010 through March 31, 2011
Court System: County of Rockingham

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. 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.

Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

We discussed this comment with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:alh

cc: The Honorable James V. Lane, Chief Judge
Joseph S. Paxton, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Report Unpaid Court Debt to the Department of Taxation's Tax Set-Off Program

By not using Debt Set-Off Program, the Clerk has potentially lost revenue for both the local government and the Commonwealth of approximately \$716,487 for the past two fiscal years in collecting delinquent court debts. For the past two years, the Clerk has not used the Virginia Department of Taxation's Debt Set-Off Program because he does not want to provide the necessary information required by Taxation to obtain a user I.D. and password for accessing the system.

The Department of Taxation converted this program from a manual process to an automated process, and neither the Clerk nor any of the court staff have taken the actions necessary to use the automated system. Section 58.1-521 of the Code of Virginia, requires that all Courts use Debt Set-Off Program to collect unpaid court debt. Both the Supreme Court of Virginia and the Department of Taxation have developed processes for accessing the new automated system, Integrated Revenue Management System.

The Clerk should take immediate corrective action that will allow him and his staff to participate in the Department of Taxation Debt Set-Off Program and make every effort to assist in the collections of fees, fines and other costs for the local government and the Commonwealth.

Circuit Court of Harrisonburg-Rockingham County

Court House, Court Square • Harrisonburg, Virginia 22801

(540) 564-3110 • Fax (540) 564-3127

June 6, 2011

Mr. Walter J. Kucharski
Auditor of Public Accounts
Post Office Box 1295
Richmond, Virginia 23218

Dear Mr. Kucharski:

Please consider this my response to the 2011 Audit of this office which took place the week of April 18th. The audit seemed to be the most expedient as a team of APA staff shared the tasks to review our financial data. This letter mirrors that which was sent on May 3, 2011 with only minor additions.

I have yet to receive a response from the Department of Taxation, but assure you that I will continue to work on addressing this matter using whatever means necessary to gain compliance in a way that will not mix my personal tax information with that of my position as Clerk of the Circuit Court. The letter and supportive documents were also emailed to Mr. Neil Miller in that office on May 3, 2011.

I have been provided with a management point related to my lack of participation in the debt set-off program managed by the Department of Taxation. I have, for the past three years, sought for an alternative to enter the program without providing personal social security numbers of staff or myself.

In my attempt to understand your data, will you please provide to me where you obtained the \$716,487 as the amount that may be lost revenue? Certainly we must realize that amounts due are typically from the convicted felons and not the upstanding public that we also serve.

It certainly seems that the mixing of an individual's personal financial tracking number would be an auditing issue that you too would like to have changed. It is egregious to think my refusal to provide my personal Social Security number would keep my office from meeting the criteria. Policy must be changed and I am hoping your office will support these efforts in the future. I look forward to hearing from you regarding this situation.

I acknowledge that I have received reminders and requests from the Department of Judicial Services about this matter. I take my job very serious and always look to comply, but when a potential violation of my own privacy or that of my staff I take issue. As you know, in recent years redaction has cost the Commonwealth of Virginia taxpayers millions of dollars. My office alone spent close to one hundred thousand dollars to redact social security numbers. You also are aware that we no longer collect social security numbers in most all cases except those in the Criminal Division.

Chaz Evans-Haywood
Clerk

Marlene Key
Chief Deputy Clerk

Melanie Holien
Assistant
Chief Deputy Clerk

Jessica Preston
Deputy Clerk

Brenda Huffman
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Lynn Lambert
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Stacy Baugher
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Heather Reardon
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Ann Pittman
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Kathie Brooks
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Dustin Heishman
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Shirlina McArthur
Deputy Clerk

Circuit Court of Harrisonburg-Rockingham County

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The Office of Judicial Services has agreed to provide a nine digit identifying number to each Clerk and staff which will alleviate this issue in the future. This is similar to actions taken by the Department of Motor Vehicles allowing the public to have their social security number removed and replaced with a unique numerical identifier.

The VCCA Education Committee will also be addressing this issue in the coming year and legislators have been contacted. It certainly seems they understand our concern in protecting the personal privacy and identity of ourselves and that of our staff.

I am very proud of the strides taken by my office to improve service, maintain compliance and provide an efficient and effective environment to the public. I will continue to do all I can to provide for security of the records of the Rockingham County Circuit Court and will also look for equal protection of the personal privacy of my staff and myself when applicable.

I have attached the letter written to Secretary Brown on February 22, 2010. I will copy his office in this response to you as I know his policy decisions can alleviate this issue in the future.

Mr. Kucharski, thank you for the opportunity to fully respond to the report of the staff that represents you as the Auditor of Public Accounts. I am hoping you will agree with this stance, and I will continue to welcome any ideas and reviews that can better assure the fiscal security of this office. I look forward to hearing from you in this regard.

Please feel free to contact me directly if I may provide any assistance to you.

All my best,



Chaz W. Evans-Haywood
Clerk of the Circuit Court

cc: The Honorable Bob McDonnell, Governor
The Honorable Richard D. Brown, Secretary of Finance
Mr. Karl Hade, Executive Secretary, Virginia Supreme Court
The Honorable Ken Cuccinelli, Attorney General
The Honorable Mark Obenshain, Senate of Virginia
The Honorable James Lane, Judge
The Honorable TJ Wilson, Judge
Rockingham County Board of Supervisors
City of Harrisonburg Council

Chaz Evans-Haywood

From: Chaz Evans-Haywood
Sent: Tuesday, May 03, 2011 11:10 AM
To: Chaz Evans-Haywood
Subject: Audit of Public Accounts response 2011
Attachments: 20110503 APA Response.pdf

Greetings:

Please find attached my response to the APA regarding my refusal to provide my personal Social Security Number to the Department of Taxation to be used with my work as Clerk of the Circuit Court.

I will welcome your involvement and response to seek either a legislative fix or change to the regulations/policies of the Department of Taxation.

All my best,
Chaz

Chaz W. Evans-Haywood
Clerk of the Circuit Court
Harrisonburg and Rockingham County
Court Square
Harrisonburg, Virginia 22801
Direct: 540-564-3111
Fax: 540-564-3127
ClerkChaz@RockinghamCountyVa.gov

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May 3, 2011

Mr. Walter J. Kucharski
Auditor of Public Accounts
Post Office Box 1295
Richmond, Virginia 23218

Dear Mr. Kucharski:

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It certainly seems that the mixing of an individual's personal financial tracking number would be an auditing issue that you too would like to have changed. It is egregious to think my refusal to provide my personal Social Security number would keep my office from meeting the criteria. Policy must be changed and I am hoping your office will support these efforts in the future. I look forward to hearing from you regarding this situation.

I acknowledge that I have received reminders and requests from the Department of Judicial Services about this matter. I take my job very serious and always look to comply, but when a potential violation of my own privacy or that of my staff I take issue. As you know, in recent years redaction has cost the Commonwealth of Virginia taxpayers millions of dollars. My office alone spent close to one hundred thousand dollars to redact social security numbers. You also are aware that we no longer collect social security numbers in most all cases except those in the Criminal Division.

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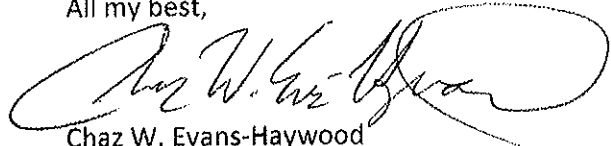
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Please feel free to contact me directly if I may provide any assistance to you.

All my best,



Chaz W. Evans-Haywood
Clerk of the Circuit Court

cc: The Honorable Richard D. Brown, Secretary of Finance
Mr. Karl Hade, Executive Secretary, Virginia Supreme Court
The Honorable Ken Cuccinelli, Attorney General
The Honorable James Lane, Judge
The Honorable TJ Wilson, Judge
The Honorable Frank Hargrove, VCCA President
Rockingham County Board of Supervisors
City of Harrisonburg Council

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February 22, 2010

Mr. Richard D. Brown
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

Dear Secretary Brown:

On January 29, 2010 I was notified via email by the Office of the Executive Secretary that my office is non-compliant regarding the Tax Debt Set-Off program with the Department of Taxation. As the Clerk of the Circuit Court for Rockingham County, this concerns me as I am very interested in looking for opportunities to collect funds from individuals that owe the Commonwealth, the localities and most importantly victims in cases.

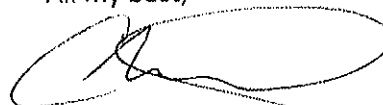
I received a similar notification last year and responded promptly. At that time I had just completed my first year in office. I certainly want to be compliant with the statute, but also have a strong aversion for the use of any Social Security Numbers when not absolutely needed. As you know, our offices were required to redact all SSN's from land records this past year. This office alone spent just under \$100,000.00 to be compliant. When I received the notification I requested to have a "court identifying number" provided to my office. It was explained to me at that time that my personal SSN was needed. The individual also went on to lecture me that she "already has my SSN on file and it really was not that big of a deal." I explained that the information currently with *the Department of Taxation* would be personal in nature and she should not be accessing it for any reason in relation to my work as the Clerk of the Circuit Court.

The Department of Judicial Services has explained that they have the ability to change our reporting information to our court identifying numbers if allowed.

I am hoping that you will be willing to work with my office and many other Clerks to make this adjustment to the system.

I will look forward to hearing from you in the near future. Please feel free to contact me if I may provide any additional assistance.

All my best,



Chaz W. Evans-Haywood
Clerk of the Circuit Court

Chaz Evans-Haywood
Clerk

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Chief Deputy Clerk

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Assistant
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