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MANAGEMENT LETTER

March 31, 2017

Berkeley County
400 West Stephen Street, Suite 201
Martinsburg, WV 25401

To the County Council:

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of **Berkeley County**, West Virginia (the County) as of and for the year ended June 30, 2016, and have issued our report thereon dated March 31, 2017.

Government Auditing Standards also requires that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and significant deficiencies in internal controls. We have issued the required report dated March 31, 2017 for the year ended June 30, 2016.

We are also submitting for your consideration the following comments on the County's compliance with applicable laws and regulations and on its internal controls. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or significant deficiencies in internal controls, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

RECOMMENDATIONS

Approval of Timesheets

During our testing of payroll, no evidence could be found to indicate employee timesheets were reviewed and approved by a supervisor prior to submission and payment for 5 out of 40 timesheets tested. This condition could result in employees being inaccurately paid.

We recommend that all employee payroll timesheets be reviewed and approved by a supervisor prior to payment being issued. This approval should be indicated by the supervisor initialing and/or signing the timesheet.

...*"bringing more to the table"*

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support
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RECOMMENDATIONS (Continued)

Cash Reconciliations

The cash reconciliation for the General County Fund did not reconcile to the Trial Balance at the end of the fiscal year. The differences were determined to be due to timing errors of certain receipts. This could lead to the County's Financial Statements not agreeing to the Trial Balance.

We recommend the County reconcile the General County Fund to the Trial Balance at the end of each month. We recommend this reconciliation be approved by the Council each month.

Payroll Taxes

The County remitted federal tax withholding overpayments in the 4th Quarter of 2015 and the 1st Quarter of 2016, resulting in refunds due to the County. The 4th Quarter 2015 refund was deposited by the County. The 1st Quarter 2016 overpayment was applied to the subsequent Quarter's payment. The County was unable to provide a copy of the 2nd Quarter 2016 federal tax form submitted to the IRS. The County was sent a refund of \$8,885.66 in October 2016, however we could not identify this amount directly to overpayments by the County.

We recommend the County properly remit the quarterly federal tax payments to the IRS.

These comments are intended for the information and use management and Council, and are not intended to be, and should not be used by anyone other than these specified parties.



Perry and Associates
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Marietta, Ohio