

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: January 6, 2017

Memorandum to: Jon Lanford, County Administrator
Alleghany County, Virginia

From: Corbin Stone

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Alleghany, Virginia for the year ended June 30, 2016, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience.

Bank Reconciliations:

During our audit, we noted that the County is several months behind in preparing bank reconciliations. We recommend that the County take steps to reconcile the bank statements to the books with 30 days of the close of each month.

Water and Sewer Adjustments:

During our review of the billing process for the Water/Sewer Department, we noted that account adjustments are not reviewed by someone other than the person making the adjustment. We recommend that the Department print an adjustment report periodically for review by someone independent of the billing process.

Appropriations:

During our review of expenditures as compared to appropriations in the County's books, we noted that a few departments reported an over-expenditure of appropriations. Many of these over-expenditures appear to be related to the posting of payables after year end. We recommend that the County prepare a final appropriation resolution each year to transfer appropriations between departments as needed to cover any deficits caused by final accounting accruals.

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