



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: May 10, 2023

MEMORANDUM TO: Craig Horn, Administrator
County of Buchanan, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit Comments

In planning and performing our audit fieldwork for the County of Buchanan, Virginia, for the year ended June 30, 2022, we considered the County of Buchanan, Virginia'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 work, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Please note: **The audited financial statements contain findings in the schedule of findings and questioned costs and should be reviewed in conjunction with the comments below. In addition, our report on the County's compliance with requirements of the Virginia Retirement System, dated May 10, 2023, contains findings and should be reviewed in conjunction with the comments below.**

Solid Waste Revenue:

To improve controls over billings and collections at the County's Transfer Station, we recommend that the County begin preparing a monthly reconciliation of billings to collections. This reconciliation should reconcile billings and changes in receivable balances to actual collections. This procedure should be performed for waste and roll-off billings.

Deposits in Transit:

At year end, checks totaling \$447,281 were in transit from the County, DSS and Head Start for health, dental and retirement contributions. In addition, checks totaling \$225,743 were in deposit from the PSA for their share of retirement and health related expenses. We noted that many of these checks dated back to April of 2022. These payments should be processed in a timely manner and deposited with the Treasurer's Office upon receipt by the County

Uniform Guidance Policies:

The Federal Government (through their Uniform Guidance) requires recipients of Federal funds to adopt and follow written policies regarding procurement, conflicts of interest, etc... The County has not adopted written policies to comply with these requirements. These policies could be tailored so they only apply to Federal grants/loans received by the County. We have provided sample policies and recommend that the County modify and adopt same to maintain compliance with Uniform Guidance provided by the Federal Government.

CSA Reimbursements:

During our review of special welfare accounts at the Department of Social Services, we noted that reimbursements to the CSA program did not occur in a timely manner. These reimbursements should be remitted within 30 days of receipt.

BLACKSBURG OFFICE:
108 South Park Drive
Blacksburg, Virginia 24060
(540) 552-7322

CONTACT:
Corbin Stone, CPA, MBA
Managing Director
cstone@rfca.com

Uniform Guidance Policies:

The Federal Government (through their Uniform Guidance) requires recipients of Federal funds to adopt and follow written policies regarding procurement, conflicts of interest, etc... The School Board has not adopted written policies to comply with these requirements. These policies could be tailored so they only apply to Federal grants/loans received by the School Board. We have provided sample policies and recommend that the County modify and adopt same to maintain compliance with Uniform Guidance provided by the Federal Government.

Timelines of Reimbursement Request:

During our review of School Board grant reimbursement request, we noted that some were not filed in a timely manner. As a result, receivables at year end were not properly reported in the books. Reimbursements should be completed within 60 days of the month end of which related expenditures are incurred.

Reconciliation of Expenditures to Reimbursement Request:

The School Board maintains departments for federal programs that are grant funded. These expenditures should match reimbursement requests for any given period taking into consideration required local effort. During our review of the Education Stabilization Program we were unable to reconcile expenditures reported in the books to the reimbursement request. We recommend that the School Board reconcile expenditures in federal programs to reimbursement request related to same. This will ensure that all allowable expenditures have been appropriately accounted for and reimbursed.