



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

DATE: November 29, 2024

MEMORANDUM TO: Larry Barton, County Administrator
County of Dickenson, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2024

In planning and performing our audit of the financial statements of County of Dickenson, Virginia for the year ended June 30, 2024, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinions 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. 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.**

County Recommendations

Bank Reconciliations

During review of bank reconciliations, we did not see evidence of review and approval of same. We recommend that after the reconciliation is completed, it be signed and dated by the individual that completed the reconciliation. After review, the reviewer should also sign and date to ensure that an audit trail of the review process is available.

Health Insurance Premiums

During our audit, it was noted that health insurance premiums are posted to non-departmental. We recommend that these items be allocated to the respective departments for more accurate financial statement reporting.

Disbursements Testing

Currently, the County is issuing itself checks and re-depositing same for ACH and EFT transactions when vendors will withdraw funds directly from the account (for example, for VRS and Health Insurance benefits). We recommend that management work with Bright or another locality to determine how to enter these items as electronic transactions to avoid issuing a check to themselves.

Journal Entry Review and Approval

Currently, there is not a review and approval process for journal entries. We recommend that journal entries be prepared by one individual and reviewed and approved by someone else prior to being entered in the system. The review should be documented by initialing the journal entry and same should be maintained for audit purposes.

Cross-Training and Review Processes

During review, we noted that one individual is responsible for accounts payable processing and one person is responsible for payroll. While others have access within the system to accounts payable and payroll and there are review processes for payables and payroll prior to checks being released, we recommend that management continue to implement processes to cross-train staff and incorporate routine rotation of responsibilities.

SPDA Confirmation

Effective July 1, 2023, an amended version of the Security for Public Deposits (SPDA) regulations became effective wherein bank account balances held by the Organization must be confirmed quarterly with the State Department of Treasury. Several accounts were not included in the quarterly confirmations performed during the year; however, we were able to verify that material accounts are listed as accounts holding public funds with the State Treasury. We recommend that management ensure that all accounts are included in the quarterly confirmation going forward.

School Board Recommendations

Credit Card Documentation

We noted purchases of \$1,220.00 worth of gift cards at Food City on the December statement, but did not see a list of recipients or acknowledgement of their receipt. We recommend that gift cards be treated as cash and recipients sign an acknowledgement of their receipt. Additionally, if the gift cards are provided to employees, this is considered by the IRS as a taxable event and amounts should be reported on the employee's W-2.

Reimbursement Request Timeliness

At the start of the year, several requests were submitted in mid-November for expenditures related to the prior year under Special Education federal funding. Care should be taken to ensure that requests are submitted timely, at a minimum quarterly. We also recommend that year-end requests be submitted within 60 days to ensure appropriate reporting.