



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 13, 2021

Memorandum to: Geri Hazelwood, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of County of Patrick, Virginia for the year ended June 30, 2021, 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.

County:

Fire Program Funds

During our audit we were unable to reconcile the annual FY2020 Annual ATL report to the fiscal year 2020 general ledger. We recommend the County work to reconcile those reports to the County and Treasurer records in the future.

Conflict of Interest Forms

During our review of the required annual forms, we noted that several board members did not complete the form in entirety. We recommend all required forms be completed thoroughly, timely, and submitted to the clerk for audit purposes.

Federal Grants Policies:

During our review of the County's purchasing and personnel policies for federal compliance, we noted several policies as required by Uniform Guidance may need to be added or updated. We recommend the County review both policies in total to ensure up to date compliance but specifically recommend the County address the following policies and procedures in writing: grant cash management, grant allowability review, and procurement.

Health Insurance Fund:

We recommend the County and School Board work together to better fund the health insurance fund through monthly premium charges to better account for the per person cost. During 2021, the County transferred \$310,911 into the Fund from the General Fund instead of increased premiums and therefore were not tracked within the expenditure report on a department level expenditure.

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County: (Continued)

Transfer Station

During our audit, we noted that the revenue collection process at the transfer station is a very manual process. We recommend the County consider purchasing a software to process billings to help ensure all revenue is properly recorded.

Procurement - Ambulance

During our testing, we found that the County obtained quotes for the purchase of an ambulance but did not advertise and receive sealed bids. We recommend the County follow requirements of the Virginia Public Procurement Act.

CRF Reporting

During our auditing of the COVID-19 Coronavirus Relief Fund, we noted that the County reported the entire Town allocation under economic support. However, per review of Town documentation provided to the County it appears \$53,296 was diverted payroll and should have been properly reported as same. We also believe the \$214,510 paid for sewer improvements would be best reported under public health instead of economic support. We recommend ensuring that amounts paid to subrecipients are properly reported.

PSA:

Billings and Collections

During our audit, we found that it was difficult to obtain adjustment reports for the PSA clients. We recommend the PSA obtain their own billing software to ensure they can monitor billings, adjustments, and collections.

School Board:

School Nutrition Cash Balance:

During our review, we noted that the cash balance in the School Nutrition Fund exceeded the limit of three months of operating expenditures due to not timely reimbursing the School Operating Fund for eligible expenditures. We recommend the School Board monitor the balances to ensure they don't exceed thresholds.

Grant Reimbursement Requests:

During our audit, we noted several reimbursement requests were not completed timely. We recommend all reimbursement requests be completely at least quarterly and preferably each month. If reimbursement requests are not performed timely it can lead to missing accruals and inaccurate financial information.

Conflict of Interest Forms

During our review of the required annual forms, we noted that the former Superintendent did not complete the form in entirety. We recommend all required forms be completed thoroughly, timely, and submitted to the clerk for audit purposes.

School Board: (Continued)

Annual School Report

During our reconciliation of the Annual School Report (ASR) for Virginia Department of Education we noted that it was difficult to recalculate the amounts as reported. We recommend the School Board create a spreadsheet that documents the crosswalk of the cash basis revenue and expenditure reports with the included accruals. In FY2021, the School Board was supposed to include the receipts and disbursements of the school activity funds within revenues and expenditures of the ASR.