



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: July 14, 2025

Memorandum To: Board of Supervisors
County of Buckingham, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2024

In planning and performing our audit of the financial statements of County of Buckingham, Virginia as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (Internal Control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. This memorandum summarizes our comments and suggestions regarding those matters.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Accruals and Audit Entries (County Finance) (Repeat Comment)

Issue

Several audit adjustments were proposed during the course of the audit to record accruals such as depreciation expense on capital assets in the water and sewer funds, adjusting retainage payable on construction contracts, recording transfers to zero out the school operating and VPA fund balances, lease and subscription adjustments, etc. Auditing standards describe significant audit adjustments as a sign of internal control deficiencies that may rise to the level of a significant deficiency or material weakness. However, it should be recognized that the County Administrator appropriately recorded several accrual adjustments for fiscal year 2024 that were not recorded by the Finance Director for fiscal year 2023.

Recommendation

Management should review the audit entries proposed during the course of the audit in an effort to record routine journal entries and correct errors prior to audit fieldwork. In the year-end closing procedures and preparation for audit, account reconciliations and a comparison of current to prior account balances should be performed to determine whether all activity is properly reflected in the general ledger and appropriate journal entries made. Efforts should focus on reducing the number and significance of general ledger adjustments proposed by the auditors.

State and Federal Revenue Reconciliations (County Finance) (Repeat Comment)

Issue

With the outpouring of federal funds and increased oversight from state and federal agencies, it is imperative to properly classify funds as state or federal and to capture the correct assistance listing number (formerly referred to as the CFDA number) for federal programs. Most of the grant funding for the Sheriff's department is federally funded and there are often reimbursements coming in after June 30 for expenses incurred in the prior fiscal year. Grant receipts after year-end should be reviewed for proper accounting as receivables.

Recommendation

We recommend that the Finance Director communicate with other departments regarding the proper classification of grants as state or federal in the general ledger and that revenue accruals are recorded as appropriate at the end of each fiscal year.

Utility Receivables Reconciliation (County Finance and Utilities) (Repeat Comment)

Issue

Monthly reports are generated for water and sewer receivable balances. The general ledger amounts are recorded on the reports but the differences are not reconciled, researched or explained. Management contacted BAI and found that the reports are not pulling accurate information to facilitate the monthly reconciliations; however, they have not pursued identifying how to obtain more reliable information for performing the reconciliations.

Recommendation

Management should create policies and procedures detailing routine financial duties that must be performed. Discrepancies noted on the monthly reconciliations of receivable balances should be researched and corrected, as appropriate, each month. BAI should be consulted in order to obtain accurate reports to be used for reconciliations. The allowance for uncollectible receivables should be reviewed and adjusted accordingly based on a review of outstanding balances. In addition, the overpayments accounts should be reviewed for appropriateness. For example, the SW overpayments account in fund 501 has carried the same balance for numerous years.

Statements of Economic Interest (County Administration) (Repeat Comment)

Issue

One member of the Board of Zoning Appeals (BZA) and one member of the Planning Commission did not file annual statements of economic interest or financial disclosure forms, as required. In addition, one member of the Industrial Development Authority (IDA) filed their form after the deadline of February 1, 2024. Inquiries revealed that County Administration followed up with these individuals on several occasions about the missing forms. County staff has reached out to the State for instructions on how to proceed with members refusing to file the required forms.

Recommendation

We recommended that the County continue to educate appointed members of the various boards about filing requirements and take the necessary procedures to obtain the forms.

Payroll and Vendor File Change Logs (County Finance)

Issue

The County has a small Finance department, and the Data Processing Manager handles payroll and also periodically processes payables. She also has access to make changes to the BAI general ledger system. There is currently no review of the vendor or payroll system master file change log, showing all changes made to vendor and payroll information, to ensure it reflects accurate and complete information.

Recommendation

To mitigate the risk of the small staff in Finance and limited segregation of duties, we recommend that the Finance Director periodically review BAI master change logs. This should assist in identifying unauthorized changes made within the system.

State Compliance (Social Services)

Issue

The *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts requires that certain compliance requirements be audited on an annual basis. Among those items are annual review of access to each application, annual review of the acceptable use policy, and timely removal of access for terminated employees.

For one out of three employees selected for testing, the Office Manager provided an application access request form dated October 16, 2024 but was unable to provide an access request form that had been reviewed during the year under audit. Inquiries revealed that the employee was originally hired by the agency in 2005, left several years later and returned to the agency in 2022. In addition, on one of the other two forms tested, the supervisor's signature was included but not the employee's signature.

In accordance with VDSS policy, employees should electronically sign the VDSS information security policy and nondisclosure agreement on an annual basis. In addition to this electronic acknowledgement, a physical form must be signed for each new employee and renewed every five years. For one out of three employees tested, the acceptable use policy on file was dated October 21, 2019; however, inquiries revealed that this employee left the agency and returned in 2022 and a new form was not completed.

When a user leaves the local DSS, their access privileges must be immediately removed from all systems they were authorized to use. For two out of five people selected for testing, we were unable to determine that access was removed within three working days of employment termination.

Recommendation

We recommend that policies related to compliance matters be reviewed by the Office Manager and procedures be implemented or followed to ensure that requirements are being met. In addition, supporting documentation for compliance related items should be maintained in an organized manner and made available for audit, upon request.