

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 27, 2018

Memorandum to: David Smitherman, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Pittsylvania, Virginia for the year ended June 30, 2018, 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:

### Conflict of Interest Statements:

A review of Conflict of Interest Statements revealed that one form for each of the Library Board, the Board of Assessors, and the Planning Commission was not submitted timely or not complete. We recommend that all of the proper individuals complete the proper forms per the State and Local Government Conflict of Interests Act of the Code of Virginia and submit to the Board Clerk in a timely manner.

### Jail Medical Copayments:

During our review of the inmate medical copayment forms, we were unable to find several forms and noted numerous were not posted timely. We recommend the forms be properly organized and entered timely.

BLACKSBURG OFFICE

SCOTT WICKHAM, CPA, CFE, MEMBER

108 SOUTH PARK DRIVE  
BLACKSBURG, VIRGINIA 24060

TELEPHONE: (540) 552-7322  
FAX: (540) 552-0338

E-MAIL: [swickham@rfca.com](mailto:swickham@rfca.com)  
INTERNET: [www.rfca.com](http://www.rfca.com)



Jail Inmate Trust:

During our test of disbursements from the inmate trust bank account we found two checks issued did not have documentation signed by the inmate at release showing receipt of same. We recommend all checks have proper supporting documentation.

Jail Canteen Account:

During our audit of the canteen bank account we noted an overdraft in the bank account. We recommend the bank account be reconciled monthly and monitored regularly so that the account has sufficient funds.

Treasurer:

Bank Collections:

During fiscal year 2018, the Treasurer started accepting tax payments at various banks located in the County. However, there was not a sufficient report showing who had paid to ensure the delinquent listing at June 30, 2018 was accurate.

Social Services:

Cancellations:

During our reconciliation of April expenditures to LASER we found a cancellation that was posted to April in Thomas Brothers after the upload. This essentially overstated expenditures by \$3,375. We recommend the upload not occur until everything is posted and cancellations be posted in a timely manner.

Special Welfare:

During our audit of the Special Welfare account, we noted the DSS ledger does not reconcile to the Treasurer's bank account by \$460.04. We recommend DSS reconcile the Thomas Brothers ledger with the Treasurer each month.

During our audit of the Special Welfare account, we noted the Treasurer is not being reimbursed on a monthly basis. We recommend that all refunds and reimbursements be performed in a timely manner.

## Social Services: (Continued)

### Accounts Payable:

During our test of disbursements we noted several purchases and payments, particularly Case Action Forms, did not have approval by the supervisor. We recommend all purchases have proper supporting documentation and approval.

### Credit Card Purchases:

During our testing of credit cards we noted a purchase to Mariner's Landing totaling \$3,561 for a conference that included an overnight stay. Mariner's Landing is approximately 40 miles from the DSS office and therefore, we'd consider the overnight stay to be a taxable fringe benefit. In addition, based on our judgement we would consider this purchase and the existing documentation for same to be unallowable for federal funds based on Uniform Guidance requirements.

In addition, we found the current process of documenting the credit card statement with individual receipts to be difficult to follow and recommend updating the process to ensure easier review. Further, we noted several missing receipts and numerous meal purchases that lacked a reason for the meal to be expensed.

### Payroll:

During our review of DSS payroll, we noted that no one documents approval of individual salaries. Historically, the Social Services Board has approved a percentage increase and reviews salaries in comparison to the budget but there is no documented salary listing or letter in the personnel files. We recommend the DSS Board document its review and approve a salary listing for all employees on an annual basis.