

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: November 12, 2018

MEMORANDUM TO: Board of Supervisors
County of Lancaster
Lancaster, Virginia

FROM: Robinson, Farmer, Cox Associates (RFC)

REGARDING: FY 18 Audit of County of Lancaster, Virginia

In planning and performing our audit of the financial statements of the County of Lancaster, 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 opinion on the financial statements and not to provide assurance on the internal controls of the County.

However, during our audit, we noted certain matters that are opportunities for strengthening internal controls and operating efficiencies. Said matters are not deemed to be material weaknesses or significant deficiencies in internal control. Further, this letter does not affect our report dated November 12, 2018 on the financial statements of the County of Lancaster, Virginia.

We have already discussed these comments and recommendations with appropriate members of management and we will review the status of these comments during our next audit engagement.

CHILDREN'S SERVICES (CSA) REIMBURSEMENTS:

Based on our reconciliation of CSA expenditures per the County's general ledger to reimbursement requests filed with the Commonwealth, we noted an expenditure included with the May, 2018 reimbursement request was duplicated with the June, 2018 request resulting in an over-reimbursement. We recommend the County take action to refund the over-reimbursed amount in FY2019.

CREDIT CARD CHARGES:

Based on our random test of disbursements, we noted the February 16, 2018 payment on the County's credit card was lacking some of the associated charge receipts and also included finance charges. We reviewed several additional County credit card payments and found no further exceptions to report. We tested a couple of School Board credit card payments and noted finance charges included on both monthly statements. We recommend that all credit card payments be made timely and be based not only on the card statement but also receipts of the associated charges.

DEBIT CARD ACCOUNT:

A petty cash bank account is maintained in the custody of the County Administrator's office. The bank account includes a debit card to be used for petty cash type purchases. We noted in August, 2017, the account was overdrawn and incurred an overdraft fee. We recommend reimbursements to the account from the General Fund be made timely to avoid future overdrafts.