



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 19, 2019

Memorandum to: Arlene Matney, Finance Director
Tazewell County, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Tazewell, Virginia for the year ended June 30, 2019, 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.

School Board Recommendations

Statements of Economic Interest:

One of the statements of economic interest forms was not completed in its entirety during our compliance review. We recommend that the forms be reviewed by the individual receiving same to ensure that responses are provided for all questions and any related schedules are completed as applicable.

Special Education Documentation:

Time and Effort reporting was not provided for the first semester of 2019 during single audit testing over the Special Education program. Time and Effort reporting should be completed and maintained for audit for all individuals whose salaries are reimbursed by federal dollars.

Public Hearing Advertisement for Budget: (School Board)

Per the Code of Virginia section 22.1-92, advertisement for the budget public hearing should be published 10 days prior to the public hearing being held. We noted that the advertisement for the public hearing was published on multiple days with the earliest being March 5, 2018 and the public hearing was held on March 12, 2018. Going forward, the advertisement for the public hearing should be 10 days in advance of same in accordance with the Code of Virginia.

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Mailing of Payroll Checks

It is our understanding that the same individual has access to enter individuals to payroll, cuts payroll checks, and disburses same. We recommend that these duties be segregated to the best of the School Board's ability. If the system does not allow segregating the input of new employees and the cutting of payroll checks, at minimum a different person should be tasked with disbursing checks.

County Recommendations

Statements of Economic Interest and Real Estate Disclosure Forms:

We noted two statements of economic interest forms that were not filled out timely. We recommend that the forms be filed between January 1, 2020 and February 1, 2020 (or the next business day if that should fall on a holiday or weekend) for fiscal year 2020.

Landfill Receivable Balances:

During our review, we noted a significant increase in landfill receivable balances. We recommend that management receive monthly reports from Santek and review same to ensure that funds remitted to the County are appropriate. Further, management should review any long-outstanding or unusual balances for reasonableness and request additional documentation as needed.

Social Services Department:

Special Welfare Account and Testing

Currently the Social Services Department holds funds in their special welfare fund that are not held for specific children. The *Code of Virginia, 1950 as amended section 63.2-230* specifically allows local agencies to accept and expend certain funds on behalf of children placed by or entrusted to the local board when no guardian is appointed. It appears that the local agency has deposited additional funds, (ie. ACR screenings, Children's Christmas, VHDA, etc.) to the special welfare fund. In general, we feel that contributions to the Social Services Department are subject to appropriation by the Board of Supervisors prior to expenditure. As such, we recommend that the Department review the sources and uses of these funds and establish a fund for the receipt and expenditure of non-fiduciary monies. The expenditure of such funds would be subject to an appropriation by the Board of Supervisors.

Additionally, the special welfare bank account has less funds on deposit than are reported in the Special Welfare Ledger. We recommend that a transfer of funds be made so that the bank account equal the ledger balance.

The County Treasurer should be reimbursed monthly for any SSI funds received. We noted that several reimbursements were being processed quarterly instead. Additionally, we noted that the last quarter's reimbursement for one child was not made in the following month as it should have been per the client's quarterly schedule.