



ROBINSON, FARMER, COX ASSOCIATES, PLLC  
*Certified Public Accountants*

**DATE:** November 22, 2019

**MEMORANDUM TO:** Roberta Lambert, County Administrator  
County of Highland, Virginia

**FROM:** Robinson, Farmer, Cox Associates

**REGARDING:** FY 19 Audit

In planning and performing our audit of the financial statements of the County of Highland, Virginia for the year ended June 30, 2019, we considered the County's internal controls to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal controls.

However, during our audit, we noted certain matters involving the internal controls and other operational matters that are presented for your consideration. This letter does not affect our report, dated November 22, 2019, on the financial statements of the County of Highland, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal controls or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**County**

**Internal Control over Payroll**

Based upon our audit procedures it was disclosed that the payroll processing duties are concentrated in one employee. In order to provide greater control over this area, we suggest that management implement a review process for the payroll report prepared and processed by the County for each payroll period. We also suggest that documentation of the review of these reports be made on the reports and maintained.

**Component Unit – Recreation Commission**

**Bank Reconciliations**

During the audit, we noted that bank statements for the commission's various accounts were not reconciled to the general ledger on a monthly basis. Most of the problems encountered within the area of cash can be avoided if a proper system of checks and balances is incorporated into the company's procedures. We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items be promptly investigated and adjusted with adequate explanations.

**Cash Receipts Documentation**

While we were able to satisfy ourselves from an audit perspective, at times deposits for money collected from fundraising and program activities were not sufficiently documented. We recognize that it is difficult to make and retain documentation due to the nature of these receipts. However, we recommend maintaining some form of record in order to support the amounts deposited. If it is impractical to write a receipt to each participant/donor, we recommend preparing a transmittal form indicating the event, date, detailed listing of checks and cash received, and the signatures of the two individuals responsible for the count.