



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

DATE: December 11, 2019

MEMORANDUM TO: David Moore, County Administrator
County of Dickenson, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2019

In planning and performing our audit of the financial statements of County of Dickenson, 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. This letter does not affect our report dated December 11, 2019 on the financial statements of the County of Dickenson, Virginia. 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, to perform any additional study of these matters, or to assist you in implementing the recommendations.

County Recommendations

Treasurer's Checks

During our testing, it was noted that employees are having tax amounts withheld from the paychecks which is being deposited with the Treasurer. The Treasurer is then issuing checks to the individual or DCT (Dickenson County Treasurer) and same are held in the safe until the tax bills are generated. Once bills are generated, the checks are cashed and applied to the employees' tax bills. We recommend that the checks from accounts payable be cashed and credited to a prepaid tax liability account until bills are generated rather than issuing Treasurer's Checks to be held in the safe.

Health Insurance Premiums

During our audit, it was noted that health insurance premiums are posted to nondepartmental. We recommend that these items be allocated to the respective departments for more accurate financial statement reporting.

Recreation Fee Collections

Based on testing performed, we noted that it often takes payments for Bear Pen Pool in excess of 5 days to be deposited to the Treasurer's office. We recommend that payments received be taken to the Treasurer's office daily, or at a minimum within 3 business days of initial collection.

County Recommendations (continued)

Credit Cards

During our testing of credit card expenditures, we were unable to locate adequate supporting documentation for several purchases. We recommend that detailed receipts be maintained for all purchases made on credit cards. Purchases on the statements should be agreed to the underlying receipts and any items without support should be investigated.

Federal Tax Reporting

During our testing over the 941 reconciliation, we noted that Line 2 of the quarterly IRS Form 941's submitted did not agree to the 2018 form W-3 when compared in total. We recommend that management review this difference to ensure that these amounts agree going forward.

Budget Appropriations

During our review of actual expenditures compared to appropriations, we noted that numerous departments exceeded the appropriated amounts. We recommend that management review actual expenditures to appropriated amounts on a monthly basis and requests for additional appropriations be prepared as needed throughout the year.

Leave Balances

Per review of the County's leave policy, accrued balances should be capped annually. However, based on testing performed, it appears that the system is allowing balances to continue to accrue over the cap amount. We recommend that management review the system settings and the policy to ensure that accrued balances are appropriately reflected in the payroll system.

School Board Recommendations

Federal Program Reimbursement Requests

Reimbursement requests under the Special Education Cluster are filed for each quarter but were not filed in a timely manner. For example, the quarter ending June 30, 2019 had not been filed when we arrived for final fieldwork in mid-October. Reimbursement requests should be filed on a quarterly basis, as close to the last month of the quarter as possible (i.e. 2nd quarter reimbursement requests should be filed in July).

Time and Effort Reporting

For fiscal year 2019, we were unable to obtain time and effort reporting for the Special Education Cluster. Employees should sign to document their time and effort at least semi-annually to document their time spent on various programs offered by the School Board. Documentation should be maintained for audit purposes.

Department of Social Services Recommendations

Business Continuity Plan

During our review of the Business Continuity Plan, it was noted that the plan does not address the three types of disruptions required by the State. We recommend that appropriate personnel review the VDEM guidelines and update the Business Continuity Plan accordingly. Additionally, the VDEM plan template should be referenced to assist in preparing and updating the business continuity plan on an annual basis. Guidelines can be found at the following website: <http://www.vaemergency.gov/emergency-management-community/emergency-management-plans/local-government-coop-resources>.