



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: January 27, 2026

MEMORANDUM TO: Joshua Wilson, County Administrator
County of Scott, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: June 30, 2025 Audit

In planning and performing our audit of the County of Scott, Virginia, for the year ended June 30, 2025, we considered the County of Scott, Virginia'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. 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. **These comments below should be read in conjunction with the schedule of findings and questioned costs included in the audited financial statements.**

County:

Conflict of Interest Forms

During our review of the conflict-of-interest forms, we found that several were not completed. We recommend the forms be completed thoroughly and submitted by the annual deadline as required.

Written Policies and Procedures

We recommend the County work to develop and/or update its financial policies including procurement, small purchasing, fund balance reserve, and other Uniform Guidance requirements.

Federal ARPA Reporting Requirements

During our federal testing, we noted that the County reported salaries as expenditures to the federal government but due to staff turnover, the County was unable to provide a report documenting exactly what was included in the amount. Finance staff was able to regenerate a report with an immaterial variance, but procedures should be in place to ensure proper documentation.

Sheriff:

State and Federal Seizure Funds

We noted the bank account and reconciliation did not have indication of review by someone other than the preparer.

Virginia Security for Public Deposit Act

During fiscal year 2024, the Virginia Treasury Board changed the process and requirements compliance with the Virginia Security for Public Deposits Act. The Sheriff's office is required to create an account with the State and quarterly confirm that all its bank accounts are properly reported to the State. The Sheriff's office did not log in to certify the accounts for the quarter ended June 30, 2025. We recommend the Sheriff's office ensure that the balances are verified in a timely manner each quarter and that all accounts are included, and maintain documentation of verification, as required.

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School Board:

Written Policies and Procedures

We recommend the School Board work to develop and/or update its financial policies including procurement, small purchasing, and other Uniform Guidance requirements.

Budget Advertisement

During the audit, we were not provided with documentation to substantiate that the School Board advertised the public hearing for budget at least 10 days prior to the March 5, 2024, public hearing.

Federal Grant Reconciliation

During our audit of multiple federal programs, we noted the School Board was not able to reconcile the reimbursement requests and revenue against a project code in the accounting system. Ideally, the revenue for most federal programs should agree to the expenditures within that project code to ensure expenses are claimed in total and not duplicated.

Annual School Report

During our review of the VDOE annual school report, we noted that the report was submitted on December 4, 2025, but it was due to VDOE on September 15, 2025.

School Nutrition Fund

During our audit, we noted that the School Nutrition fund ended fiscal year with a negative fund balance. This negative fund balance included a loan from the School Operating fund of \$621,876 so that cash was available to cover expenditures. We recommend implementing a plan of action to stabilize this fund and balance the budget (including ensuring budgeted revenues are reasonable based on expected collections) in order to improve the fund's financial standing.

School Health Insurance Fund

During our audit, we noted that the School Health Insurance fund ended fiscal year with a negative fund balance. We recommend implementing a plan of action to stabilize this fund and balance the budget (including ensuring budgeted health insurance costs in the School Operating Fund are reasonable based on expected claims in the Health Insurance Fund) in order to improve the fund's financial standing.

Social Services:

Special Welfare

During our audit of the special welfare funds, we noted that the funds include other funds not related to specific children. We recommend those funds process through normal appropriation processes as they may not meet the requirements to be included with special welfare funds. Further, certain funds like SNAP over issuance funds should likely be turned over to Virginia DSS.