

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: December 7, 2018

MEMORANDUM TO: Jonathan Sweet  
County of Pulaski, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2018

In planning and performing our audit of the financial statements of County of Pulaski, 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 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 7, 2018 on the financial statements of the County of Pulaski, 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.

## School Board:

### School Nutrition

During our preliminary review of school nutrition reimbursement requests, we noted several keying errors in the amounts that were reported for meals served during the month. Based on our review, it appears that all errors were clerical in nature. We recommend that the school board implement a process to review reimbursement requests prior to amounts being submitted to ensure that the information accurately reflects the meals served for each school to ensure that the appropriate amounts are requested for reimbursement. Overall, it appears that the school board was under-reimbursed as a result of the clerical errors noted during our review. During final fieldwork, we noted that a review process was implemented and appropriate documentation was filed to ensure the School Board received full reimbursement for the errors noted during preliminary fieldwork.

## Department of Social Services:

### Business Continuity Plan

During our review of the Business Continuity Plan, it was noted that the plan does not address all three of the types of disruptions required by the State. We were unable to find the Locality's plan for a loss of workforce in the current plan. 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>.

## **Special Welfare Account**

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, such as general contributions (ie. St. Jude Catholic Church Acct, Tornado Toys & School Supplies, and Miscellaneous Acct - Discretionary) 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, there is not a special welfare bank account, but the special welfare fund has more funds reported than are shown in the Special Welfare Ledger. We recommend that a transfer of funds be made so that the bank account equal the ledger balance.

## **County:**

### **Board Minutes Documentation**

During our review of Board meeting minutes, we noted that minutes are not consistently posted online for public review and inspection as is intended. Further, several meeting minutes as posted seem to either not be updated appropriately or combine more than one meeting. Hardcopies of meeting minutes were not readily available for review while we were onsite to complete our testing. We recommend that all meeting minutes online be the approved minutes which have been signed to ensure their accuracy. Signed minutes should be posted in a timely manner after each meeting. Further, hardcopy meeting minutes should be maintained at the County offices and should be readily available for public inspection.

### **Statements of Economic Interest**

Statements of Economic Interest are required to be filed between January 1 and February 1 each year for the prior calendar year in accordance with the Code of Virginia. Based on our review, several forms were not filed during the appropriate timeframe. Additionally, the current year form was not utilized by all individuals and several forms were not filled out in their entirety. Statements of Economic Interest forms should be filled out in their entirety, if forms or sections are not applicable, they should clearly be marked as such. We recommend that management and the Board review the filing requirements to ensure that the requirements are met. Further, we recommend that the individual responsible for maintaining the forms review them as they are completed to help ensure they are the appropriate form and filled out in their entirety.

### **Due to/from Component Units**

There are large outstanding inter-entity balances between the County and the Economic Development Authority, some of which have been held at a constant balance for several years. We recommend that management of the County and the Authority work together to review the balances and develop a repayment plan or forgive same, as applicable, to ensure that amounts are appropriately reported in the financial statements.

### **Credit Card Purchases**

During our testing, we noted several purchases that did not include detailed receipts. We recommend that detailed receipts be required from all employees who utilize the County credit cards. Documentation should be maintained with the credit card statements for audit purposes. Per discussion with management, the County has a policy requiring reimbursement from credit card users for any undocumented expenses on the credit card statement. While documentation has improved, we recommend that management continue to stress the need for detailed receipts for all purchases.