

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: March 15, 2019

MEMORANDUM TO: Dane Poe, Administrator
County of Lee, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: June 30, 2018 Audit

In planning and performing our audit of the County of Lee, Virginia, for the year ended June 30, 2018, we considered the County of Lee, 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.

County:

Capital Lease Bank Account

During our audit of outstanding debt and related issuances, we found the new communications equipment lease was deposited into a bank without a Virginia branch. Therefore, the account was not secured as a public deposit under the Code of Virginia's Security for Public Deposits Act. Since the balance of the account was \$592,813.31, the account exceeded its FDIC insurance by \$342,813.31.

Sheriff:

Domestic Violence Account

During our review of the Domestic Violence Account held by the Sheriff's office we noted that the funds were donated and should be turned over to the Treasurer's office to process through the County's funds.

Petty Cash Account

During our audit of the Petty Cash Account held by the Sheriff's office we noted a payment to an individual for \$3,000. Per inquiry, the payment was for a seminar but the individual was not provided an IRS form 1099 and an IRS W-9 was not on file. We recommend the Sheriff's office obtain a W-9 form for all payments and review same for the possibility of issuing an IRS form 1099.

School Board:

Credit Card Receipts

During our audit of credit card payments, we noted several missing receipts and several meals that did not indicate the business purpose of the meal. We recommend all credit card purchases be documented by detailed receipts and travel/meal documentation be supported with the reason for the expense.

School Board: (Continued)

VRS

During our audit of VRS census data, we noted 6 of 53 people either had an incorrect salary or withholding related to VRS pension or disability. We noted several employees that had an incorrect termination date in Vnav. We also noted several months were not paid by the 10th of the subsequent month as required. We recommend the School Board continue working to improve this reporting.

Federal Programs - Title I Cash Management

During our testing of Title I, we noted that reimbursement requests were not processed in a timely manner. We recommend reimbursement request be processed monthly but at least quarterly.

Federal Programs - Title I Double Reimbursement

During our testing of Title I, we noted that the School Board submitted the same reimbursement request for payroll twice. Therefore, the School Board received \$25,062.87 too much based on the provided documentation.

Federal Programs - Semi-Annual Time & Effort Certifications

During our testing of federal programs we noted that no special education (Title VI-B) employees had completed a semi-annual time and effort certification and several Title I employees had not completed same. We recommend all employees funded with federal funds complete the required time and effort certification or document their hours worked were for the benefit of the federal program on their timesheet.

Social Services:

Special Welfare

During our audit of special welfare we noted check number 5689 in the amount of \$24,172.22 was still on the outstanding check listing but appears to have been voided. We recommend DSS review reconcile their account timely and review the outstanding check listing in detail. Further, the bank reconciliation at the Treasurer's office did not reconcile to the Thomas Brothers ledger by \$168.

We noted several untimely reimbursements to the Treasurer. We recommend DSS reimburse the Treasurer monthly for eligible expenditures.

Local Security Officer

During our review of certain VDSS requirements, we noted the DSS did not have the annual LSO training as required. We recommend the LSOs obtain their annual training.

Initial Training

During our review of certain VDSS requirements, we noted one employee that did not have the required initial training. We recommend DSS employees complete the required initial training from VDSS.

Credit Card Purchases

During our audit of credit card payments, we found DSS was consistently paying a finance charge and carrying a previous balance. In addition, we noted several statements that included meal purchases that were not supported by detailed receipts. We recommend that all credit card purchases be supported by a detailed receipt and the entire statement be paid completely and timely to avoid unnecessary charges.

Social Services: (Continued)

Invoice Approval

During our random test of disbursements, we noted that many administrative expenditures did not have evidence of approval on the individual invoice. We recommend the Director initial approval on each administrative purchase.