



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

MEMORANDUM TO: County of Rockbridge, Virginia
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 23 Audit

DATE: December 19, 2023

In planning and performing our audit of the financial statements of the County of Rockbridge, Virginia for the year ended June 30, 2023, we considered the County's internal controls to plan our auditing procedures for the purpose of expressing our opinion 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 December 19, 2023, on the financial statements of the County of Rockbridge, 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.

School Board Payroll

During our audit we observed several errors related to employee retirement, including inaccurate withholding amounts, or entirely missed retirement withholdings in relation to payrolls processed by the School Board. Additionally, we determined that the internal controls in place were not adequate to prevent or timely detect the errors identified in calculation of payroll. While the errors identified were not considered material to the financial statements, we recommend that the school board implement a more thorough review of payroll processing, including a reconciliation of retirement withholdings to the retirement contributions reported to Virginia Retirement System.

School Board Disbursement

Our expenditure testing over the School Board control environment revealed that an invoice in the amount of \$320,310, addressed to the Roanoke City Public Schools, was erroneously paid by the Rockbridge County School Board. Subsequently, this cost was reimbursed with federal grant funds. We recommend that policies and procedures be adequate to ensure approval for payment of invoices includes verifying that invoices are valid expenditures for services rendered.

Governmental Accounting Standards Board Pronouncements

In order to assist your staff in preparing for upcoming accounting changes, we have included the following summaries of Governmental Accounting Standards Board (GASB) pronouncements that will affect the County in upcoming years.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Governmental Accounting Standards Board Pronouncements (Continued)

Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 19, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.