

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: December 27, 2018

Memorandum to: Arlene Matney, Finance Director  
Tazewell County, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Tazewell, 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 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. 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.

## **School Board Recommendations**

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### **Statements of Economic Interest:**

One of the statements of economic interest forms was not completed in its entirety during our compliance review. We recommend that the forms be reviewed by the individual receiving same to ensure that responses are provided for all questions and any related schedules are completed as applicable.

### **Procurement Documentation:**

During our review, adequate documentation was not maintained related to purchases from Govconnection, Inc. While the vendor is listed as a vendor on the state contract website, the actual purchases made were not reviewed to ensure that the items being purchased were included in a state contract. In the future, the state contract number should be obtained and maintained for audit purchases.

### **Credit Card Testing:**

We noted during our testing that the credit card account has associated fees and finance charges. We recommend that management investigate these fees and contact the credit card company to remove fees. If the fees relate to late or incomplete payments, we recommend that the statement be paid in full each month to avoid incurring fees.

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## County Recommendations

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### Statements of Economic Interest and Real Estate Disclosure Forms:

Several statements of economic interest forms were not filled out in their entirety during our review of same. Additionally, the majority of the real estate disclosure forms required to be filed were not filed timely. We recommend that the forms be reviewed by the individual receiving same to ensure that responses are provided for all questions and any related schedules are completed as applicable.

### PPTRA Credits:

The amount of personal property tax relief (PPTRA) credit given on tax bills had not exhausted the PPTRA received from the state. While it is acceptable to leave a portion to allow for supplements and abatements, the amount not credited on tax bills should be exhausted in future years. We recommend that PPTRA revenues received in recent years versus credits given to taxpayers be reviewed to determine the net amount of unused PPTRA credits. This should be factored into the future tax rate in order to allow for the full credit of PPTRA amounts.

### Social Services Department:

#### **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>. Management is working on updating the Plan based on the audit recommendation but based on the detailed nature of same, the updates are still in process.

#### **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, (ie. ACR screenings, Children's Christmas, VHDA, etc.) 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, the special welfare bank account has less funds on deposit than are reported in the Special Welfare Ledger. We recommend that a transfer of funds be made so that the bank account equal the ledger balance.

### **Virginia Initiative for Employment not Welfare (VIEW) Service Plans:**

VIEW is a required program for Temporary Assistance for Needy Families (TANF) recipients and provides various services to enable TANF recipients to become self-sufficient through employment. During our review of the program expenditures, we noted that forms marked as "Other" for the service to be provided do not include a detailed description of what "Other" is meant to include. We recommend that this be completed going forward to help ensure that disbursements are not only allowable under the program but in accordance with the approved services for the individual plan.

### **Comprehensive Services Act Documentation:**

Monthly reconciliations should be prepared to compare CSA revenues and expenditures per Thomas Brothers to the general ledger balances. During our testing, we were able to agree the CSA reimbursement request expenditures to the Thomas Brothers check register; however, we were unable to agree CSA expenditures to the general ledger. It appears that there are revenues being netted against the expenditures, but we were unable to confirm same. We recommend a monthly reconciliation be prepared to ensure that the general ledger has the appropriate balance. Additionally, we recommend that revenues and expenditures be shown gross and not netted against one another.

### **County and School Board Recommendations**

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#### **Adjusting Entries:**

Several adjusting entries were proposed to the provided trial balances to meet the Governmental Accounting Standards Board (GASB) standards for financial reporting. We recommend that management and the accountants review the adjustments and consider same for the next year's audit.