



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

Date: January 15, 2020
Memorandum to: Bill Shepley, County Administrator
From: Robinson, Farmer, Cox Associates
Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of County of Grayson, Virginia for the year ended June 30, 2019, 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.

County:

Conflict of Interest Statements:

During our review of the Conflict of Interest and Economic Interest Statements we noted several that were submitted after the deadline. In addition, we noted a couple forms that were not filled out completely. We recommend all forms be completed as required in a timely manner. The next submission of forms for calendar year 2019 are due by February 3, 2020.

Journal Entries:

The County is currently not capable of creating a report that shows journal entries in the accounting system. We recommend the County work with the software vendor to create a report that shows the entry, the reason for the entry, the date of the entry, and who performed the entry. We should be able to select entries from this report and trace same to the supporting documentation.

Payroll:

During our review of payroll, we noted some timesheets that did not include both the employee signature and the supervisor signature noting approval. We recommend all timesheets contain both signatures to verify authenticity and approval of same.

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County: (Continued)

Pool Revenues:

During our audit of pool receipts we found several weaknesses in control including the following:

- The pool attendee listing needs more information including an annual pass number, if applicable and the age of each pool attendee. Alternatively, the pool could issue a pre-numbered wrist band and compare the wrist bands sold to the daily deposit.
- The pool concession sales did not have any supporting documentation. We recommend the concessions start to use a cash register for collections and print a daily batch out report to reconcile to the amounts submitted to the Treasurer's office. In addition, the cash register/cash box should be closed to a certain balance each day (such as \$50.00) and the remainder deposited with the Treasurer's office in a timely manner.
- During our audit, we noted that the pool was using pre-numbered receipts for some collections, but it was difficult to reconcile same to the Treasurer's Transmittal form.

Transfers:

During our reconciliation of transfers, we noted that the County had posted transfers within departments, to expenditure accounts which included other activity. We recommend transfers from one fund to another be reconciled periodically to ensure each one-line trial balance agrees to the other fund. We also recommend the County reconcile the annual and supplemental contributions to the School Board to the County records.

Treasurer:

Bank Reconciliations:

During our review of the bank reconciliations, we noted that they were not being reviewed by someone independent of the reconciliation process. We recommend the Treasurer review and approve (initialing for documentation) the monthly bank reconciliations in a timely manner.

School Board:

Conflict of Interest Statements:

During our review of the Conflict of Interest and Economic Interest Statements we noted several forms were not filled out completely. We recommend all forms be completed as required in a timely manner. The next submission of forms for calendar year 2019 are due by February 3, 2020.

Budget:

During our review and reconciliation of the school budget and related appropriations we found that the School Board did not post the budget correctly into the accounting system. We recommend the budget be reconciled to the approved budget after input.

Further, the School Board should reconcile the appropriations from the County Board of Supervisors to the budget as approved by the School Board and posted to the accounting system. The School Board overspent approved appropriations due to a miscommunication regarding a year-end appropriation of state/federal funds. This appropriation was approved after noted during the audit retroactively.

School Board: (Continued)

Federal Reimbursement Requests:

During our single audit of Title I, we found that some reimbursement requests were for expenditures more than one quarter old. For example, one reimbursement request for Title I dated 9/09/2019 included expenditures from 1/30/2019-6/30/2019. We recommend reimbursement requests be filed monthly but at minimum filed quarterly.

Social Services:

Accounts Payable:

During our random test of disbursements, we noted multiple invoices that were not approved by the case worker. We recommend all payments be properly approved to ensure the payment is reasonable and the client is still eligible for same.

During our testing of VIEW expenditures, we noted one entire batch of checks that included only one signature. We recommend all checks contain two signatures.

Special Welfare:

During our audit of the Special Welfare bank account, we noted that the balance per bank exceeds the Thomas Brothers ledger by \$323. We recommend the Thomas Brothers ledger be reconciled to the bank reconciliation monthly. In addition, we noted three clients in which the Treasurer was not being reimbursed for eligible expenditures in a timely manner. We recommend monthly reimbursements.

Computer Access Forms:

During our review of computer access forms, we were unable to view documentation of annual review by the employee's supervisor. We recommend the required annual review be documented on the computer access form.