



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 30, 2021

Memorandum to: Dr. Linda Millsaps, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Floyd, Virginia for the year ended June 30, 2021, 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. 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

COVID-19 CRF Reporting to Virginia Dept. of Accounts:

During our audit of CRF funding, we noted that the reporting to the State included significant amounts of "other" expenditures. We recommend when completing reports for pass-through entities that data be provided as accurately as possible. Per review, it appears there were some provided categories that could have been used instead. Further, we recommend implementing a review and documentation process to ensure each quarterly reporting is accurate and properly documented. It appears that the County reported expenditures of \$36,967 more than actually spent during fiscal year 2021.

Management's Response: A review and documentation process will be implemented to ensure each quarterly reporting is accurate. With regards to the \$36,967.00 expenditures, most of the items recorded to "other" expenditures in the CRF reporting to the State were for the purchase of items related to social distancing. At the time none of the categories specifically listed "for social distancing" as a criterion even though it was an acceptable approved use of the funding. For pass through entities, we requested that they keep a spreadsheet and invoices supporting their quarterly use of funding they reported to us and have that information available upon request. We are now requesting that detail to amounts as we reported. We agree that in the future this information should be requested prior to reporting instead of after that fact. The \$36,967.00 in questionable expenditures was in the March 2021 report. On the spreadsheet I had an amount in excess of that listed as obligated by the Town. Prior to sending the March 2021 report to the state the Town provided the breakout by category as expended. Most of the amount was for the Town's share of the PSA water project and was listed in the "other" category of expenditures on the March 2021 report. Processes and auditing procedures will be implemented that will catch and correct the spreadsheet sent for reporting and will capture funds not moved within the spreadsheet for the Town's or departments expenditures. When the Town provides their spreadsheets and invoices all amounts reported to the stated, will be supported by the documentation.

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County (Continued)

Statement of Economic Interests:

During our review of the required disclosure forms we noted several were incomplete. We recommend the forms be completed thoroughly and in a timely manner.

Management's Response: All future required documentation that will be audited for 100% completion. Documentation forms will be monitored through a checklist for signatures, dates, and form completion in its entirety to eliminate questions of acknowledgment, understanding and responsibility.

Social Services

VIEW Documentation:

During our sampled testing of VIEW expenditures, we found that a majority of the program was not supported by current individual VIEW Participant's Activity and Service Plans. We recommend all expenditures be documented and supported with necessary eligibility documentation.

Management Response: A new VIEW worker is currently being trained on policy and procedures. The Office Manager has advised this worker of required VIEW Participant Activity and Service Plans for all participants.

Information Systems Security Acceptable Use Policy:

During our review, we noted that the policy appears to be signed upon hire but is not updated annually as required. We recommend that the agency have forms reviewed and updated annually.

Management Response: A new Information Systems Security & Acceptable Use Policy has been provided to all workers for their signatures and this has been added to the Office Manager's annual to do list to ensure it is completed each year. This form is already in the new worker orientation packet.

Monthly LASER Reconciliation:

During our testing, we noted most months there was a small variance between the amount of expenditures reported in the Bright accounting system compared to the Thomas Brothers/LASER systems, as adjusted. We recommend the Social Services reconcile the systems each month to ensure all eligible expenditures are claimed properly.

Management Response: The Office Manager will reconcile each month with a new spreadsheet to better capture all expenditures as requested.

Special Welfare:

During our audit, we found that the Special Welfare ledger in Thomas Brothers did not agree to the reconciled bank account maintained by the Treasurer. We recommend monthly reconciliations of same. Also, we found that some reimbursements included more than one month. We recommend Special Welfare reimbursements be made monthly.

Management Response: The Treasurer and Office Manager reconcile monthly with the bank statement and a spreadsheet provided by the Treasurer. Will provide a reconciliation report at the next audit or if requested.