

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: January 18, 2018

MEMORANDUM TO: David Moore, County Administrator  
County of Dickenson, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2017

In planning and performing our audit of the financial statements of County of Dickenson, Virginia for the year ended June 30, 2017, 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. This letter does not affect our report dated January 18, 2018 on the financial statements of the County of Dickenson, Virginia. 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, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## County Recommendations

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### Treasurer's Checks

During our testing, it was noted that employees are having tax amounts withheld from the paychecks which is being deposited with the Treasurer. The Treasurer is then issuing checks to the individual or DCT (Dickenson County Treasurer) and same are held in the safe until the tax bills are generated. Once bills are generated, the checks are cashed and applied to the employees' tax bills. We recommend that the checks from accounts payable be cashed and credited to a prepaid tax liability account until bills are generated rather than issuing Treasurer's Checks to be held in the safe.

### General Ledger Reconciliation

We were unable to agree the general ledger's fund balances to same as reported in the Treasurer's accountability fund in Bright. It appears that a portion of the difference relates to transfers not be appropriately reflected on the individual funds. We recommend that management research the differences and post adjustments to ensure that the fund balances agree to those reported for same in the Treasurer's accountability fund. Additionally, we recommend that these balances be reconciled on a monthly basis to ensure that activity is appropriately reported.

### Health Insurance Premiums

During our audit, it was noted that health insurance premiums are posted to nondepartmental. We recommend that these items be allocated to the respective departments for more accurate financial statement reporting.

## County Recommendations (continued)

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### Abatements Documentation

During our review of abatements, it was noted that the Form 905 which was previously printed from the system and signed to document certification by the Commissioner of Revenue (CoR) is no longer printed. In order to provide an adequate audit trail to test abatements, we recommend that, at a minimum, a monthly report of abatements be printed and signed by the CoR to certify that the listing is appropriate. Same should be submitted to the Treasurer for review.

### Credit Cards

During our testing of credit card expenditures, we were unable to locate adequate supporting documentation for several purchases. Additionally, on the Sheriff's gas cards, it was noted that the receipts are submitted in an envelope to the County but are in no particular order nor are they reconciled to the statement. We recommend that detailed receipts be maintained for all purchases made on credit cards. Purchases on the statements should be agreed to the underlying receipts and any items without support should be investigated.

### Recreation Fees

During our review of pool charges and deposits, we noted that individuals are not consistently charged the \$150 deposit for a pool party and refunded \$25 for cleaning up after same. Some individuals are being charged the net amount upfront. We recommend that all individuals be charged consistently for pool parties. Additionally, these fees do not show up on the register tape that is provided to the County. We recommend that management incorporate these fees so that the total per the pool does not need to be adjusted to reconcile with the total deposited per Treasurer.

Funds collected at the pool should be remitted to the Treasurer on a daily basis. During our testing, we noted that numerous deposits were held for several days before being remitted to the Treasurer.

### Federal Tax Reporting

During our testing over the 941 reconciliation, we noted that Line 2 of the quarterly IRS Form 941's submitted did not agree to the 2016 form W-3 when compared in total. We recommend that management review this difference to ensure that these amounts agree going forward.

### Budget Compliance

Per Code of Virginia section 15.2-2506, the County is required to hold a public hearing for the proposed budget seven days prior to adoption of same. During our testing, it was noted that the public hearing was held on June 21, 2016 which was the same day the budget was adopted. We recommend that management schedule the public hearing in advance to ensure compliance with the Code.

### Budget Appropriations

During our review of actual expenditures compared to appropriations, we noted that numerous departments exceeded the appropriated amounts. We recommend that management review actual expenditures to appropriated amounts on a monthly basis and requests for additional appropriations be prepared as needed throughout the year.

## County and School Board Recommendations

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### Statements of Economic Interest

Requirements for filing the statements of economic interest were changed for fiscal year 2017 in that forms were required to be filed between January 1, 2017 and January 15, 2017 (or the next business day if this fell on a weekend or holiday).

Additionally, Statements of Economic Interest forms should be filled out in their entirety, if forms or sections are not applicable, they should clearly be marked as such. During our review, we noted that one County Board Member's form was filed late and one School Board Member's form was not completed in its entirety.

### School Board Recommendations

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#### Annual School Report

During our review of the annual school report, it was noted that cash basis figures were reported for expenditures. We recommend that, going forward, management report modified accrual totals as prescribed by the Virginia Department of Education.

### Department of Social Services Recommendations

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#### CPMT Approval for CSA Expenditures

During our review of CSA case files, it was noted that CPMT approval is documented in the CPMT board minutes but there is no CPMT approval maintained in the case files for same. We recommend that CPMT approval for expenditures be specified in the Individual and Family Services Plan. Additionally, we recommend that the CSA Documentation Inventory, which can be found on the CSA website, be utilized for organization of files to ensure that all supporting documentation is easily accessible.

#### 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>.