

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: December 12, 2018

MEMORANDUM TO: Stephen Bear, County Administrator
County of Wythe

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit Comments

In planning and performing our audit of the County of Wythe, Virginia, for the year ended June 30, 2018, we considered the County of Wythe, Virginia'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. 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. In addition to the items addressed below, the County's audit report contains an additional finding in the Schedule of Findings, Responses and Questioned Costs.

Detailed Credit Card Receipts:

During our review of County credit card charges, we noted that detailed receipts were not maintained for all purchases (such as meals). We recommend that staff provide detailed receipts for all purchases going forward.

During our review of Social Services credit card receipts, we noted that receipts were not remitted in a timely manner by some employees. In the future, receipts for all purchases should be remitted in a timely manner.

Reimbursement Requests:

In our review of reimbursements for County Rural Development projects and the School Title 1 Program, we noted a lag between the disbursement of funds and the corresponding reimbursement request(s). We recommend that the County and School Board begin requesting reimbursements within 45 days of the expenditure of funds.

Lack of Segregation of Duties – Treasurer's Collections:

A key component of internal controls is that no one individual should have both access to accounting records and related assets. The County bookkeeper and the employee who reconciles bank statements monthly are not independent of the collection function as both employees receive payments from customers as necessary. We recommend that the office review staffing assignments and make adjustments necessary to gain an adequate segregation of duties.

Lack of Segregation of Duties- Reconciliations:

A key component of internal controls is that no one individual should have both access to accounting records and related assets. The County Bookkeeper currently prepares the deposit daily and maintains the County's books. We recommend that the office review current assignments and have someone other than the Bookkeeper prepare the daily deposits.

Lack of Segregation of Duties:

The School Board Payroll Clerk uploads wire transfers for each payroll. We recommend that someone independent of payroll processing initiate wire transfers after they have reviewed each payroll.

State Social Services Computer Access:

During our review of terminated employees at the Social Services Department, we noted that access to the State's computer systems was not removed immediately upon termination. In the future, access to computer systems should be removed immediately upon termination from the Agency.

During our review of computer access forms, we noted that the Agency is not conducting an annual review of the need for each employee to have access to the various State systems. We recommend that the Agency perform annual reviews of each employee's system access and adjust same as necessary based on need.

Gift Card Purchases:

During our review of credit card purchases, we noted the purchase of a gift card for use by a Social Services Client; however, we did not see documentation to support receipt of same by the Client. In the future, all gift or gas cards purchased on behalf of clients should be supported by a signed statement from the recipient acknowledging receipt of the card(s).