

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: January 11, 2019

MEMORANDUM TO: Ms. Dinah Clark, Director
Rockbridge Area Social Services Board
(A component unit of the County of Rockbridge, Virginia)

FROM: Robinson, Farmer, Cox Associates

In planning and performing our audit of the financial statements of the Rockbridge Area Social Services Board (a component unit of the County of Rockbridge, Virginia) for the year ended June 30, 2018, we considered the Board's internal controls to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit, we noted certain matters involving the internal controls and other operational matters that are presented for your consideration. This letter does not affect our report dated January 11, 2019, on the financial statements of the Rockbridge Area Social Services Board (a component unit of the County of Rockbridge, Virginia). Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal controls 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.

Separated Employee System Access Termination

Under current procedures, the supervisor will send access removal requests to the security officer to initiate the process of removing separated employees' system access. Employee system accessibility should be terminated within three working days of separation. The results of our audit showed that employees were not being removed within the established three working days. In an effort to improve information security, it is our recommendation that the Board ensure consistent system access termination within the established time frame.

Governmental Accounting Standards Board Pronouncements

The Office of Management and Budget (OMB) issued new guidance on Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards. The new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Financial Awards (The "Super Circular", or "Uniform Guidance") requires some major policy reforms which are required to be implemented by all entities receiving federal funding effective January 1, 2018 for entities with a December 31 fiscal year end and July 1, 2018 for entities with a June 30th fiscal year end. These policy reforms should be implemented as soon as possible in order to avoid noncompliance with the terms and conditions of current federal awards and the direct and material compliance requirements for federal awards. The following sections of the Uniform Guidance require nonfederal entities that receive federal awards to establish written policies, procedures, or standards of conduct:

- Conflict of Interest (§200.112)
- Financial Management (§200.302)
- Payment (§200.305)
- General Procurement Standards (§200.318)
- Competition (§200.319)
- Methods of Procurement to be Followed (§200.320)
- Compensation – Personnel Services (§200.430)
- Compensation – Fringe Benefits (§200.431)
- Relocation Costs of Employees (§200.464)
- Travel Costs (§200.474)

In order to ensure that your policies and procedures meet these new requirements, we recommend that you review the new requirements in detail and revise your current policies, as necessary.