

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: January 8, 2019

Memorandum To: Rappahannock County Water and Sewer Authority

From: Robinson, Farmer, Cox Associates

Regarding: Audit for Year Ended June 30, 2018

In planning and performing our audit of the financial statements of Rappahannock County Water and Sewer Authority for the year ended June 30, 2018, we considered the Authority'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. This letter does not affect our report dated January 8, 2019 on the financial statements of Rappahannock County Water and Sewer Authority. 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.

Statements of Economic Interest or Financial Disclosure Statements

Finding

Board members did not file disclosure forms pursuant to §2.2-3115 of the Code of Virginia. The following entity officials may be required to file the *State and Local Statement of Economic Interests ("long form")* as follows under §2.2-3115(A):

- Persons holding positions of trust appointed or employed by the governing body **if the governing body has passed an ordinance requiring them to file.**

§2.2-3115(A) and (B) specifies that certain members of local entities must annually file a *Financial Disclosure Statement ("short form")*, specifically as follows:

- Members of the governing body of **any authority** established in a county or city with the power to issue bonds or expend funds in excess of \$10,000 in any fiscal year, unless required by their local governing body to file a Statement of Economic Interests ("long form").
- Non-salaried citizen members of local boards, commissions and councils **if designated by the governing body to file.**

Recommendation

We recommend that the board review the filing requirements under §2.2-3115 of the Code of Virginia. The appropriate form should be filed by the statutory deadline (last year's filing deadline was February 1, 2018) and made available for review during next year's audit.

Signatures on checks

Finding

Check #3261 for \$46.29 on 2/28/18 was written to Board Chairman for reimbursement for the DMV registration for the pump truck. In addition to the plant manager's signature, the Board Chairman also signed the check as the second signature needed.

Recommendation

When a check is written to an employee or board member, it is recommended that someone other than that individual sign the check; in this instance, another authorized board member should have signed the reimbursement check.

Late Fee

Finding

Check #3317 written to Rappahannock Electric Cooperative for \$776.92 written on 6/21/18 included a late payment charge of \$9.03. The previous balance was due on 6/18/18 and was paid on 6/12/18, but the bill including the late payment charge was printed before REC received the payment.

Recommendation

The late payment charge should not have been paid, instead only the current charges of \$767.89 should have been paid.