



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: February 20, 2025

MEMORANDUM TO: Craig Horn, Administrator
County of Buchanan, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit Comments

In planning and performing our audit fieldwork for the County of Buchanan, Virginia, for the year ended June 30, 2024, we considered the County of Buchanan, 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 work, 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. Please note: **The audited financial statements contain findings in the schedule of findings and questioned costs and should be reviewed in conjunction with the comments below. In addition, our report on the County's compliance with requirements of the Virginia Retirement System contains findings and should be reviewed in conjunction with the comments below.**

Solid Waste Revenue:

The Cumberland Plateau Regional Waste Management Authority (Authority) currently operates the County's transfer station and employees of the Authority remit collections to the County periodically. We recommend that County request that the Authority begin providing reconciliations of funds collected to underlying scale reports, billing and accounts receivable reports. This will assist the County in determining receivables related to operations at the end of each fiscal year and further improve internal controls for the solid waste function.

Fund 99 Reconciliation:

The County uses fund 99 within the general ledger as a reconciliation and control fund. Each bank account is reconciled to assets in the fund monthly. Liabilities in the fund (99) offset assets (or bank holdings) of the fund. The liabilities represent the cash held for each fund (general fund, school fund, etc...). When comparing the cash in fund 99 held for each fund and the actual cash reported in each fund, we found variances in a number of funds. This occurs when interfaces within the accounting system or journal entries made in the accounting system do not consider all funds affected. For example, all cash entries to Fund 1 (general fund) would be mirrored in Fund 99. The County monthly reconciliations should be expanded to verify that cash reported in each fund agree with the amounts held for each fund within fund 99.

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Deposits in Transit:

The County maintains a self-insurance fund in which deposits are received from the County, School System, Social Services and PSA for their share of health care costs. At year end, checks issued from these agencies should be deposited in the self-insurance fund or reported as deposits in transit for financial reporting purposes. As of June 30, 2024, these deposits in transit totaled \$912,958 and accordingly, the County underreported cash balances by this same amount. This has been corrected in the financial statements under audit, but we recommend that the County properly reflect these amounts as deposits in subsequent periods.

Uniform Guidance Policies:

The Federal Government (through their Uniform Guidance) requires recipients of Federal funds to adopt and follow written policies regarding procurement, conflicts of interest, etc... The County has not adopted written policies to comply with these requirements. These policies could be tailored so they only apply to Federal grants/loans received by the County. We have provided sample policies and recommend that the County modify and adopt same to maintain compliance with Uniform Guidance provided by the Federal Government.

Special Welfare Account:

During our review of special welfare accounts at the Department of Social Services, we noted that the balance reported in the detailed ledger differed from the amount held in Treasurer's Office. The ending variance of \$3,770 is likely due to social services refunds being deposits to the special welfare account instead of the general fund. We recommend that the Department of Social Services (DSS) review the balance with the Treasurer's Office and adjust accounts as necessary to correct the variance.

Timelines of Reimbursement Request:

During our review of School Board grant reimbursement request, we noted that some were not filed in a timely manner. Reimbursements should be completed within 60 days of the month end of which related expenditures are incurred.

Outstanding Checks:

We noted that there were outstanding checks on the County's bank reconciliation that were more than 2 years old. We recommend that the County review these checks and reissue them or turn them over to the State's Unclaimed Property Division.

Statements of Economic Interest and Real Estate Disclosure Forms:

We noted several conflicts of interest form that were not filled out in their entirety for the Board. Additionally, we noted several of the IDA and the Planning Commission members did not complete the conflicts of interest and real estate disclosure forms. We recommend that care be taken when forms are completed and that forms be reviewed when submitted to ensure that no questions have been skipped in error and that all applicable tables are completed. In the event that something is not applicable, we recommend it be marked as such to ensure that same is adequately documented.