



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: February 20, 2024

Memorandum to: Arlene Matney, Finance Director
Tazewell County, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Tazewell, Virginia for the year ended June 30, 2023, 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. 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.

School Board Recommendations

Written Policies for Federal Programs

The Uniform Guidance requires that the entity have certain written policies to ensure compliance related to federal programs. We were unable to obtain copies of same during the audit. We recommend that management adopt written policies/procedures as required and provide same for audit purposes.

Budget Appropriation from County

The budgeted appropriation from the County did not equal the amount reported by the County for same. We recommend that management work with County personnel to ensure that the amount budgeted is accurate.

Procurement of Goods

During review, we noted that purchases to a vendor for updates to auditorium seating totaled approximately \$377,000. Per inquiry, a formal RFP was not issued; however, quotes were obtained from several vendors and the low-bidder was selected. We recommend that going forward, a formal RFP be issued to ensure compliance with the Virginia Public Procurement Act.

County and School Board Recommendations

Capitalization Policies

Per inquiry, management updated the capitalization threshold for fixed assets, but a formally adopted policy was not provided. We recommend that a formal capitalization policy be implemented, to include leases and subscription-based IT agreements, and same be maintained and provided for audit purposes.

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County Recommendations

Statements of Economic Interest and Real Estate Disclosure Forms

We noted several conflicts of interest and real estate disclosure forms that were not filled out in their entirety for the Board and the Planning Commission. 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.

Landfill Balances

The Landfill Spreadsheet files used for the Landfill's trial balance report cash with Treasurer balances that do not reconcile to cash on hand with the Treasurer. As a result, there are not sufficient cash balances on hand in the Landfill fund's trial balance to cover the restricted debt proceeds for landfill expansion; therefore, a transfer was necessary to ensure sufficient cash was in the Fund and to zero out negative pooled cash balances. We recommend that the Landfill Spreadsheet files "cash with Treasurer" balance be reconciled to the Treasurer's reports on a routine basis.

Expenditures Compared to Appropriations

Coal road severance collections and related remittances to VCEDA exceeded budgeted amounts for same; therefore, expenditures in the Coal Road Economic Development Fund exceeded appropriations. We recommend that budget-to-actual reports be reviewed routinely for all departments/Funds to ensure that expenditures are within appropriated amounts or supplemental appropriations be made.

Bank Reconciliations

Per inquiry, bank statements are reviewed haphazardly by the Treasurer. We recommend that the bank reconciliations for the operating accounts be reviewed monthly and that the review be documented by initialing/signing a copy of the bank reconciliation. Year-end statements and reconciliations should be reviewed for all accounts to ensure appropriate reporting.

Social Services Department:

Special Welfare Account and Testing

The Treasurer should be reimbursed monthly with special welfare for program expenditures incurred in the prior month. We noted several instances in which amounts were not reimbursed monthly as required. Additionally, the special welfare bank account does not agree to the total reported in the Special Welfare Ledger. We recommend that the difference be investigated and adjusted as necessary.

EBT Card Issuance Security

During testing, it was noted that individuals with authorization authority for EBT cards also have access to the vault in which cards are maintained. To ensure that cards are safeguarded and secure, we recommend that access to the vault be restricted to individuals that do not have authorization authority.