



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: July 24, 2025

Memorandum to: Suzanne Adcock, Finance Director
Alleghany County, Virginia

From: Corbin Stone, CPA

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Alleghany, Virginia for the year ended June 30, 2024, we considered the County'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. 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. **The audited financial statements contain findings in the schedule of findings and questioned costs and should be reviewed in conjunction with the comments below.**

Department of Social Services - Special Welfare Ledger:

The Social Services Department holds funds in their special welfare account. This bank account should be reconciled monthly against the special welfare ledger that details how much is held for each individual/fund in the account. The Department has not been preparing a monthly reconciliation of the ledger to the bank account (held by the Treasurer). The Department should begin preparing a monthly reconciliation of the ledger to the bank statement.

Department of Social Services Reconciliations:

The Department of Social Services provided reconciliations for the first couple months of the fiscal year between expenditures reported in the State's Laser System (Welfare reporting system) and the County's General Ledger; however, the reconciliations for the final two months of the fiscal year were not available for review. We recommend that the Department maintain reconciliations for every month to ensure the County is properly reimbursed by the State and Federal Government through the Laser System.

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Department of Social Services View Program:

During our testing of VIEW Program disbursements at the Department of Social Services, we noted that services provided to clients did not necessarily agree with the services to be provided on each client's service plan. While the services provided were eligible under Program guidelines, failure to properly document the use of funds in the client's service plan could result in unallowable costs and result in lost funds for the County. Going forward, the service plans should properly document what funds are going to be used for.

Jail Inmate Internal Controls:

In reviewing the Jail's Inmate bank account and bank reconciliation, we noted that there are several outstanding checks listed on the bank reconciliation that were voided several years ago. The bank reconciliation should be updated to reflect the voiding of these checks.

In reconciling the Jail's Inmate Account against the trial balance for the Jail, we noted that the trial balance has several line items with balances that should have cleared out ("cash on hand" of \$(54,890.88); "other assets" excluding "bank" of \$63,751.27; and "liabilities" \$15,745.64. We recommend that the Jail work with their software vendor to correct these balances moving forward.

Upon release from Jail, Inmates receive a debit card or check for the balance of fund remaining on their account (Commissary and Inmate Trust Account). We noted that the form completed to document these transactions was not always completed properly. Specifically, we noted that the Inmate or Jailor's signature was missing from some forms. These forms should always be signed by both parties to document the amount transferred by Debit Card to the inmate. If the inmate(s) refuse(s) to sign the form, we recommend that a second Jailor or Clerk at the Jail sign the form to document it was reviewed by two employees.

During our review of the bank statements, we noted it appears a signature stamp is being used. We recommend that signature stamps stay in the custody of and only be used by the person's signature on the stamp.

Due to key staff being out for an extended period, we were unable to obtain all supporting documentation for all disbursements selected for review during the audit. We recommend cross-training in key positions to ensure proper procedures and documentation are maintained and available going forward.

Annual School Report:

Each year, School Administration prepares a detailed financial report for submittal to the State Department of Education by September 15th. This report was submitted to the State after the aforementioned deadline. We recommend that School Administration work toward compliance with the annual deadline. An extension deadline (September 30th) was requested and granted to the School Board; however, the School Board filed the annual report after the extended deadline on October 25, 2024.