

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 22, 2016

Memorandum To: Board of Supervisors
County of Culpeper, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2016

In planning and performing our audit of the financial statements of the County of Culpeper, Virginia for the year ended June 30, 2016, 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. This letter does not affect our report dated November 22, 2016, on the financial statements of the County of Culpeper, Virginia. 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.

Airport Billings

During the course of our audit, we noted the monthly Airport billings were not being processed and posted to the general ledger until the end of the subsequent month. For example, the April 2016 billing wasn't processed and posted to the general ledger until May 27, 2016. A delay in processing and posting these billings cause a delay in the County performing its month-end financial close, as well as cause delays in cash flows for the Airport. We recommend the monthly billings be processed and posted to the general ledger by the 15th of the following month.

Virginia Retirement System

During the course of our audit it was noted there was a credit balance on the monthly VRS snapshots in the amount of \$3,169.83 that had been carried forward and accumulated since August 2015. The balance was due to two employees whose creditable compensation did not show up as being reported in the VRS system. We recommend the County reconcile and ensure that the VRS system agrees with the County's payroll system and that anytime a balance forward appears on the monthly snapshot, those balances be investigated immediately to ensure proper reporting in the VRS system.

Loss of Grant Funds

During the course of our audit it was noted that \$1,553 requested in Local Law Enforcement Block Grant Funding obtained by the Sheriff's department was not received. The request to draw down these grant funds was denied because the required paperwork was not filed by the due date by the sheriff's office. We recommend the Sheriff's Office put procedures in place to ensure that all required paperwork be timely filed to avoid the loss of grant funding.

School Board Preparation of Capital Assets for Audit

Auditing Standard SAS 112 requires advanced preparation for an audit. All material adjustments to general ledger accounts should be made prior to the commencement of final fieldwork. The School Board's capital assets were not updated and the required journal entries were not posted to the general ledger prior to the commencement of final fieldwork. We recommend the school board put procedures in place to ensure that capital assets are updated and the general ledger is adjusted prior to the commencement of final fieldwork.