

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: October 30, 2018

MEMORANDUM TO: County Board of Supervisors
County of Cumberland
Cumberland, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 18 Audit of County of Cumberland, Virginia

In planning and performing our audit of the financial statements of County of Cumberland, Virginia for the year ended June 30, 2018, 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 controls of the County.

However, during our audit, we noted certain matters that are opportunities for strengthening internal controls and operating efficiencies. Said matters are not deemed to be material weaknesses or significant deficiencies in internal control. Further, this letter does not affect our report dated October 30, 2018 on the financial statements of County of Cumberland, Virginia.

We have already discussed these recommendations with appropriate members of management and we will review the status of these comments during our next audit engagement.

Approval of Invoices / Purchasing Policy

Our testing revealed that there were several instances where department heads were not approving invoices with a visible signature. In many instances, the only person approving an invoice is the Assistant County Administrator/Finance Director. This person also prepares accounts payable checks, which presents a lack of segregation of duties. We recommend that the County's purchasing policy be reviewed and amended to specify the necessary signatures of approval needed for accounts payable disbursements.

Credit Card Balances

Large balances are being carried forward on a credit card account. At the time of final fieldwork (October 2018), the running balance was roughly \$17,000. Monthly finance charges are being incurred as the balance is never paid down to zero. Additionally, our testing of a statements revealed that there a few missing receipts to support transactions. We recommend that attention be given to paying off this credit card debt to stop incurrent late fees and/or interest charges. Additionally, all credit card transactions need to be supported by receipts being turned in and attached to the statement on file.

Children's Services Act Funds

Our audit of Children's Services Act (CSA) revealed that reimbursements were not requested timely at year end. The requests were completed by the September 30 state deadline, however, it is recommended that these be requested much earlier for inclusion in year in revenue accruals.

Travel Reimbursements

Our testing of travel reimbursements revealed an inconsistent use of mileage reimbursement rates. We noted reimbursements utilizing \$0.56 per mile, however we also noted a reimbursement where \$1.00 per mile was used. We recommend that the Board authorized rate be used consistently.

Petty Cash

We recommend that petty cash balances on the County's accounting system be set to a set Board-authorized amount. We noted that currently the petty cash balances fluctuate with activity. Additionally, the Recreation petty cash account is not recorded at all. As funds are spent from petty cash, receipts should be maintained to that the balance always reconciles to the Board-authorized balance.

Outstanding Checks

Our review of the bank reconciliation revealed many checks outstanding greater than one year. It is recommended that these items be remitted to the state as unclaimed property once they become outstanding for at least one year, and to then remove from the bank reconciliation.