



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**Date:** January 13, 2020

**Memorandum To:** Board of Supervisors  
County of Buckingham, Virginia

**From:** Robinson, Farmer, Cox Associates

**Regarding:** Audit for fiscal year ended June 30, 2019

In planning and performing our audit of the financial statements of County of Buckingham, Virginia as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (Internal Control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## Accruals and Audit Entries (County Finance) (Repeat Comment)

### Finding

Several journal entries are made during the course of the audit to record accruals such as recording accrued interest on debt in the water and sewer funds, reclassifying capital asset activity in the water and sewer funds, recording transfers to zero out the school operating and VPA fund balances, etc. Auditing standards describe significant audit adjustments as a sign of internal control deficiencies that may rise to the level of a significant deficiency or material weakness. In recent years, the Finance Director has prepared reconciliations for state and federal revenues and recorded related entries in this area as well as recording unbilled receivables for water and sewer funds and various other accrual entries through working with other departments and the School Board. In the current year, taxes receivable, principal payments made on water and sewer debt, and fund balance reconciliations (reversal of prior year accruals) were included in the Finance Director's entries as part of audit preparation.

### Recommendation

Management should continue to review the audit entries proposed during the course of the audit in an effort to record routine journal entries prior to audit fieldwork. In the year-end closing procedures and preparation for audit, account reconciliations should be performed to determine whether all activity is properly reflected in the general ledger and appropriate journal entries made. Efforts should focus on continuing to reduce the number and amount of general ledger adjustments proposed by the auditors.

## Utility Receivables Reconciliation (County Finance and Utilities) (Repeat Comment)

### Finding

Monthly reports are generated for water and sewer receivable balances. The general ledger amounts are recorded on the reports but the differences are not reconciled, researched or explained. Management contacted BAI and found that the reports are not pulling accurate information to facilitate the monthly reconciliations.

### Recommendation

Management should create policies and procedures detailing routine financial duties that must be performed. Discrepancies noted on the monthly reconciliations of receivable balances should be researched and corrected, as appropriate. BAI should be consulted in order to obtain accurate reports to be used for reconciliations. The allowance for uncollectible receivables should be reviewed and adjusted accordingly based on a review of outstanding balances. In addition, the overpayments accounts should be reviewed for appropriateness. For example, the SW overpayments account in fund 501 has carried the same balance for several years.

## Accrued Leave Schedules (County Administration)

### Finding

County employees earn varying amounts of annual and sick leave based on years of service. County Administration prepares the accrued leave schedule "Auditor's Time Sheet" based on time records and accumulated leave balances. The schedule presented for audit included sick leave accruals for two employees employed for less than five years and the maximum accrual for one employee who had earned less than the maximum.

### Recommendation

We recommend the accrued leave schedule be reviewed for accuracy upon completion each year. Hire dates should be reviewed for newer employees to ensure their balances are being accurately calculated and tracked.

## CSA Reimbursement Requests (County CSA)

### Finding

Reimbursement requests for September 2018 and October 2018 were submitted on 1/23/19 and 2/15/19, respectively. The August 2018 request was submitted on 9/4/18. State guidelines require that reimbursement requests for CSA funds be made no less than quarterly.

### Recommendation

We recommend that reimbursement requests be made monthly or, at a minimum, quarterly. This will ensure reimbursements are received in a timely manner. This will also prevent the loss of revenues for missing the State's reporting deadlines.

## CSA Case Management Records (County CSA)

### Finding

The listing provided by the CSA Coordinator did not include the full population of children served during the year. It included some individuals added after year-end, double-counted several individuals, etc. The cash management list included information for documenting case managers, date of last review, date of next review and state ID numbers. However, each of these fields were blank.

### Recommendation

We recommend the case management list be maintained in a manner to identify the population of children served each month and throughout the year. The list should be reviewed for completeness and accuracy and updated throughout the year to ensure accurate information is available to management and others.

## Reimbursement Requests (School Board)

### Finding

Reimbursement requests for 2/1/18 through 8/15/18 for the final Title I SIG 2016 grant were not submitted until 10/3/18.

### Recommendation

We recommend that reimbursement requests be made monthly or, at a minimum, quarterly. This will ensure reimbursements are received in a timely manner.