



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: February 28, 2025

MEMORANDUM TO: Andre Villiard - Chief Financial Officer
Michael Hatfield - County Administrator
County of Wise, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2024

In planning and performing our audit of the financial statements of County of Wise, 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 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. This letter does not affect our report dated February 13, 2024 on the financial statements of the County of Wise, 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.

County and School Board

Budget for County Appropriation

The School Board's final budgeted amount for the contribution from the County does not agree to the County's final budget for same. It appears that the debt service amount budgeted from the County was not included on the School Board's budget. We recommend that the School Board and County work together to ensure that budgeted amounts for the contributions between entities agree. Additionally, a budget should be adopted for debt service contributions and payments made.

School Board

Annual School Report (ASR)

The annual school report is due annually by September 15 to the State Board of Education, unless a 15-day extension is granted. The ASR was filed on October 15, 2024. We recommend that management consider cross-training staff so that the report can be filed timely going forward.

Account Integrity

There is a bank account in the School Board's EIN that is a clearing account for SFO funds to be deposited and disbursed to the various schools. The bank account is not reported on the School Board's trial balance. The account should either be included in the ledger at the School Board or at the School Activity Fund level to ensure that same is included in the audit process and appropriately reported.

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CONTACT:

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County

LODA (Line of Duty Act) Census Data

Census data for volunteers covered under the County's LODA insurance is not sufficient to complete the required testing per the Auditor of Public Accounts specifications for Counties, Cities, and Towns. We recommend that management work with volunteer organizations to obtain the necessary information in order for testing to be completed in its entirety.

Statements of Economic Interest

Certain individuals are required to file Conflict of Interest or Real Estate Disclosure forms in accordance with Section 2.2-3115(G) of the Code of Virginia. Several of the individuals' forms were not completed while others were not completed in their entirety or in a timely manner. We recommend that someone continue to work with individuals on the various Boards and Commissions to help ensure required forms are completed in full.

SPDA Confirmations

Effective July 1, 2023, an amended version of the Security for Public Deposits (SPDA) regulations became effective wherein bank account balances held by the County must be confirmed quarterly with the State Department of Treasury. During review of the confirmation, we noted that there are three bank accounts listed under the County's EIN that appear to be for unrelated entities and the balances are therefore not reported by the County. We recommend that these accounts be investigated and moved to the appropriate EIN for the separate Organizations so that they do not fall under the County's EIN.

Expenditures Exceeding Appropriations

As disclosed in the Note 2 to the financial statements, several departments within the General, Sewer, and Asset Forfeiture Funds had expenditures that exceeded appropriations during the year. We recommend that care be taken to ensure that budget to actual reports are reviewed routinely and supplemental appropriations are requests as needed to ensure that expenditures do not exceed appropriated amounts.

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