



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 22, 2021

Memorandum to: Dan Collins, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Craig, Virginia for the year ended June 30, 2021, 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 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.

County:

Statement of Economic Interests:

During our review of the required disclosure forms we noted one was incomplete. We recommend the forms be completed thoroughly and in a timely manner.

COVID-19 CRF Reporting to Virginia Dept. of Accounts:

During our audit of CRF funding, we noted that the reporting to the State included significant amounts of "other" expenditures. We recommend when completing reports for pass-through entities that data be provided as accurately as possible. Per review, it appears there were some provided categories that could have been used instead. Further, we recommend implementing a review and documentation process to ensure each quarterly reporting is accurate and properly documented.

Procurement:

During our testing of procurement, we found that the County did not advertise the storage building procurement or obtain sealed bids in accordance with its Procurement Policy. The County documentation shows selected vendors were called and two quotes provided but we recommend advertising to ensure all possible bidders have the opportunity to do so.

Virginia Fire Programs - ATL Funds:

During our review of compliance with the Fire Program funds, we noted that the County is obtaining documentation from one or two volunteer fire agencies but then evenly distributing the funds to all of the agencies. We believe the intent of the program is to be based on a reimbursement basis and recommend the County only remit funds to agencies after they have provided eligible receipts with proof of payment.

Federal Grants Policies:

During our review of the County's purchasing and personnel policies for federal compliance, we noted several policies as required by Uniform Guidance may need to be added or updated. We recommend the County review both policies in total to ensure up to date compliance but specifically recommend the County address the following policies and procedures in writing: grant cash management, grant allowability review, and procurement.

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Social Services:

LASER Certification:

During our audit, we noted that the Social Service reported \$3,074 less in LASER than it actually incurred related to payroll in August 2020. We recommend implementing a proper submission and review process to ensure the expenditures reconcile monthly with the Treasurer's office.

Backup Local Security Officer (LSO):

During our review we noted that the Social Services only has one LSO after a previous employee separated employment. Virginia Department of Social Services requires a backup LSO, and we recommend the Social Services work to obtain second local security officer.

Employee Software Access:

During our inquiry related to software access, we noted that the Social Services had not been performing an annual review of each employees' software access for accuracy.

Employee Acceptable Use Form:

During our review of employees' acceptable use forms we noted that they were not signed within the last year. We recommend the forms be signed annually.

Employee Separation Checklist:

During our audit of separated employees, we found one employee that did not have a Separation Checklist properly completed. We recommend the Local Security Officer and Director complete and review the Checklist to ensure all system access has been properly removed.

Special Welfare:

During our review of Special Welfare, we noted that reimbursements are not timely. We recommend ledger Special Welfare be reviewed monthly to ensure timely reimbursements and reconciliations.

School:

Grant Reimbursement Requests:

During our audit, we noted several reimbursement requests were not completed timely. We recommend all reimbursement requests be completed at least quarterly and preferably each month. If reimbursement requests are not performed timely it can lead to missing accruals and inaccurate financial information. As a result of untimely reimbursements, we proposed audit adjustments for receivables at year-end that were not available when the consulting firm prepared the financial information for audit.