



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 7, 2022

Memorandum to: Arlene Matney, Finance Director
Tazewell County, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Tazewell, Virginia for the year ended June 30, 2022, 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. 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.

School Board Recommendations

Credit Card Documentation

During review, we were unable to locate detailed receipts or adequate other supporting documentation for a total \$120.94 out of \$7,588.37 purchases tested. Additionally, we noted a past due amount of \$25.00 on one statement along with a finance charge of \$13.91. We recommend that statements be paid in full and on-time to avoid finance charges and that detailed receipts be maintained for all purchases for.

Written Policies for Federal Programs

The Uniform Guidance requires that the entity have certain written policies to ensure compliance related to federal programs. We were unable to obtain copies of same during the audit. We recommend that management adopt written policies/procedures as required and provide same for audit purposes.

Budget Appropriation from County

The budgeted appropriation from the County did not equal the amount reported by the County for same. We recommend that management work with County personnel to ensure that the amount budgeted is accurate.

Procurement of Goods

During review, we noted that purchases to a vendor for computers and related technology totaled over \$780,000. Per inquiry, a formal RFP was not issued; however, quotes were obtained from several vendors and the low-bidder was selected. We recommend that going forward, a formal RFP be issued to ensure compliance with the Virginia Public Procurement Act.

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County and School Board Recommendations

Capitalization Policies

GASB Statement No. 87 was effective during the year requiring that intangible right-to-use assets be recognized, if material, in the financial statements. Accordingly, we recommend that management evaluate its capitalization thresholds to include a threshold for leased assets and to ensure that the amounts for other capital assets are reasonable.

County Recommendations

Fire Program Expenditures

During review over fire program expenditures, we were unable to determine that amounts were reported in the appropriate category or that expenditures met the requirements of the program. Expenditure summaries and documentation were provided by the Fire Departments to the County, but because the summary from the Departments did not agree to the report submitted, we were unable to test the information. We recommend that the Fire Department summary information be obtained, reviewed, and used to report amounts going forward to allow for testing in accordance with APA requirements.

Statements of Economic Interest and Real Estate Disclosure Forms

We noted several conflicts of interest and real estate disclosure forms that were not filled out in their entirety. We recommend that care be taken when forms are completed and that forms be reviewed when submitted to ensure that no questions have been skipped in error and that all applicable tables are completed. In the event that something is not applicable, we recommend it be marked as such to ensure that same is adequately documented.

Reporting on ARPA Revenue Replacement

In the project and expenditure report filed for ARPA Revenue Replacement, it was noted that the total cumulative expenditures were \$321,473.89 and the current period expenditures were \$261,964.39. Based on inquiry and testing, it appears that both amounts should have been \$321,473.89. We recommend that a review process be implemented for future reports to be filed.

Additionally, the interim report that was due by August 31, 2021 was not filed until spring of 2022. There were no expenditures to be reported as of that date; however, we recommend that management review the reporting requirements to ensure that all deadlines are met.

Landfill Balances

The Landfill Spreadsheet files used for the Landfill's trial balance report cash with Treasurer balances that do not reconcile to cash on hand with the Treasurer. As a result, there are not sufficient cash balances on hand in the Landfill fund's trial balance to cover the restricted debt proceeds for landfill expansion; therefore, a transfer was necessary to ensure sufficient cash was in the Fund and to zero out negative pooled cash balances. We recommend that the Landfill Spreadsheet files "cash with Treasurer" balance be reconciled to the Treasurer's reports on a routine basis.

EMS Billings

As part of the audit, an analysis was performed comparing the accounts receivable monthly EMS billing reports and revenues per the ledger which resulted in an overall difference that was below individually significant materiality for the audit. We recommend that a reconciliation be performed on a routine basis and any differences be investigated to ensure that amounts reported are accurate.

Social Services Department:

Special Welfare Account and Testing

The Treasurer should be reimbursed monthly with special welfare for program expenditures incurred in the prior month. We noted several instances in which amounts were not reimbursed monthly as required. Additionally, the special welfare bank account has less funds on deposit than are reported in the Special Welfare Ledger. We recommend that a transfer of funds be made so that the bank account equal the ledger balance.