ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: February 28, 2018

MEMORANDUM TO: Dane Poe, Administrator
County of Lee, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: June 30, 2017 Audit

In planning and performing our audit of the County of Lee, Virginia, for the year ended June 30, 2017, we considered the County of Lee, Virginia'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. 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:

Statements of Economic Interest

During our review of the Conflict of Interest Statements, we noted one Board of Supervisors member dated his form 2016. We recommend all Board members accurately file their appropriate form in the timeframe required by the State (FY18 requirements are January 1 – February 1 for the prior calendar year).

VRS – Line of Duty Act (LODA)

A new audit procedure required by the Auditor of Public Accounts (APA) disclosed that the County does not have controls in place to verify the information submitted to VRS for other agency volunteers. We were able to confirm the applicable County employees' census data but supporting documentation should be provided by those other entities on an annual basis to ensure each individuals eligibility. In addition, the County's bill is determined by the number of individuals in the plan and therefore the County should ensure they are not under or over paying the required amount.

Credit Card Receipts

During our audit of credit card payments, we noted several missing receipts. We recommend all credit card purchases be documented by detailed receipts.

Sheriff:

Petty Cash Account

During our review of the bank account held by the Sheriff, we found the account was not set up as a public deposits account in accordance with the Virginia Security for Public Deposits Act. We recommend the Sheriff work with the bank to change the account classification to be in compliance with same.

School Board:

Credit Card Receipts

During our audit of credit card payments, we noted several missing receipts and several meals that did not indicate the business purpose of the meal. We recommend all credit card purchases be documented by detailed receipts and travel/meal documentation be supported with the reason for the expense.

Annual School Report

During our audit of the Annual School Report (ASR) we noted it was submitted to VDOE on November 14, 2017. The ASR is required to be submitted by September 15th unless the School Board receives a one month extension. We recommend the ASR be submitted in a timely manner in accordance with State requirements.

Certificates of Deposit

During our audit, it was brought to our attention that the School Board was holding two certificates of deposit outside the custody of the Treasurer in the total amount of $78,932. We recommend the School Board close these accounts and submit the amount to the Treasurer.

VRS

During our audit of VRS census data, we determined that the School Board was not entering all employees with the proper start date. A review of 17 new hire employees determined that 11 of these employees were entered into the Vnav system with an incorrect hire date by a roughly a month. We recommend the School Board review the VRS manual and ensure employees are entered with a correct date.

VRS Group Life

During our audit of VRS census data, we determined that 5 of 25 employees had an incorrect percentage of group life insurance withheld from their pay. We recommend the School Board review payroll in detail to ensure all employees have the proper deductions withheld from their paychecks.

Social Services:

Credit Card Purchases

During our audit of credit card payments, we found DSS was consistently paying a finance charge and carrying a previous balance. In addition, we noted several statements that included meal purchases that were not supported by detailed receipts. We recommend that all credit card purchases be supported by a detailed receipt and the entire statement be paid completely and timely to avoid unnecessary charges.

Statements of Economic Interest

During our review of the Conflict of Interest Statements, we noted one Board member did not file his/her form on time. We recommend all Board members accurately file their appropriate form in the timeframe required by the State (FY18 requirements are January 1 – February 1 for the prior calendar year).