



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 27, 2024

Memorandum to: Brian Carter, CPA, Finance Director

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit 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 opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit fieldwork, 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.

County

Delinquent Tax Balances:

Currently, the County does not maintain control accounts in the general ledger to document the balance of outstanding taxes. We recommend that the County establish control accounts to track outstanding tax balances and reconcile those accounts (and collections) to delinquent tax reports periodically. We understand that the County is working toward implementation of this recommendation.

Delinquent Tax Balance Reports:

During our review of delinquent tax balance reports from the County's software, we noted that the detailed listing of balances due did not agree with the aged receivable summary reports. Given limited detail in the summary reports, we were unable to determine the cause for the difference(s). We recommend that the County reach out to the software vendor to determine the cause for these variances.

Prepaid Tax Balances:

During our review of prepaid tax balance reports from the County's software (UAC), we noted that the detailed listing of prepaid balances did not agree with the balance in the GL detail. Given limited detail in the GL detail, we were unable to determine the cause for the difference(s). We recommend that the County start doing a reconciliation of the UAC report and the GL detail to determine the cause for any variances.

Parks and Recreation Bank Account:

During our review of the public deposit confirmation search (new program provided by State Treasury in 2024), a bank account at the parks and recreation department was discovered. This account is not

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recorded in the County books nor is the bank statement and reconciliation reviewed by anyone. We recommend the County obtain the bank statement and bank reconciliation monthly and same be reviewed and approved. Additionally, this account should be recorded in the County books and activity from the account should be recorded.

Public Deposit Confirmation:

During our review of the public deposit confirmation search, we noted the library certificate of deposit, parks and recreation account, EMS account, and accounts held by the Sheriff were not being confirmed as part of the public deposit quarterly confirmation process. We recommend the Treasurer obtain the bank statements each quarter for these accounts and confirm the balances with the Virginia Treasury.

County and School Board

Review of Financial Reports:

As reported in the audited financial statements (schedule of findings and questioned costs), we noted a number of adjustments that were necessary for the School Board's books to be presented in accordance with current reporting standards. To improve financial reporting, we recommend that the County Finance Director begin performing a final review of the School Board financial reports to ensure the books agree with subsidiary detail ledgers and or other supporting documentation.

School Board

School Cafeteria Funds:

The School System maintains certain school cafeteria funds outside of the Treasurer's custody. We believe these funds represent a centralized cafeteria fund and therefore should be held in the Treasurer's custody and reported in the County's accounting system. We recommend that the School System turn custody of these funds over to the Treasurer's Office and begin preparing an annual budget for appropriation by the Board of Supervisors.

The cafeteria bank accounts are not being confirmed as part of the public deposit quarterly confirmation process. We recommend the School System obtain the bank statements each quarter for the cafeteria accounts and confirm the balances with the Virginia Treasury.

Public Deposit Confirmation:

During our review of the public deposit confirmation search, we noted there were three bank accounts that were listed under the School's tax identification number but were not part of the School Board or School Activity Fund audit. We recommend the School Board contact the bank(s) to determine what the bank accounts are related to.