



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: December 10, 2025

MEMORANDUM TO: Larry Barton, County Administrator
County of Dickenson, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2025

In planning and performing our audit of the financial statements of County of Dickenson, Virginia for the year ended June 30, 2025, 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. Please note: **The audited financial statements contain findings in the schedule of findings and questioned costs and should be reviewed in conjunction with the comments below.**

County and School Board Recommendations

Journal Entry Review and Approval

Currently, there is not a review and approval process for journal entries. We recommend that journal entries be prepared by one individual and reviewed and approved by someone else prior to being entered in the system. The review should be documented by initialing the journal entry and same should be maintained for audit purposes.

County Recommendations

Health Insurance Premiums

During our audit, it was noted that health insurance premiums are posted to non-departmental. We recommend that these items be allocated to the respective departments for more accurate financial statement reporting.

Disbursements Testing

Currently, the County is issuing itself checks and re-depositing same for ACH and EFT transactions when vendors will withdraw funds directly from the account (for example, for VRS and Health Insurance benefits). We recommend that management work with Bright or another locality to determine how to enter these items as electronic transactions to avoid issuing a check to themselves.

Cross-Training and Review Processes

During review, we noted that one individual is responsible for accounts payable processing and one person is responsible for payroll. While others have access within the system to accounts payable and payroll and there are review processes for payables and payroll prior to checks being released, we recommend that management continue to implement processes to cross-train staff and incorporate routine rotation of responsibilities.

Appropriations

We noted that expenditures in the coal road fund exceed appropriations for the fund. Additionally, we noted that funds merged with the general fund for reporting as well as the school construction fund do not have an adopted budget or appropriation. We recommend that all funds have an approved budget that is appropriated annually and that same be reviewed routinely to ensure that expenditures do not exceed appropriated amounts.

Pooled Cash Allocation

We noted that Fund 28 historically has a negative pooled cash balance. We recommend that management investigate and transfer funds to bring the balance to zero. The fund is merged with the general fund for reporting purposes, but cash balances reviewed throughout the year would be inaccurate.

Bank Reconciliations

We noted that there were adjustments each month made to an expense account to get the bank reconciliation to balance. Per inquiry, management investigated the ledger cash balances and was unable to determine the underlying issue for the differences. Total amounts netted to approximately \$200,000 over the course of the year. We recommend that management review its processes and reconciliation procedures to ensure that all differences can be explained and posted to the appropriate account(s) going forward.

School Board Recommendations

Budgeted Appropriations from County

We noted that the school board final budget for the appropriation from the County differed from the County's budget for same. We recommend that the School Board work with the County to ensure that the budgeted amounts are accurately reflected. If budget amendments are necessary, same should be reflected in the budget in the accounting software.