



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: May 1, 2025

Memorandum to: Stephen A. Boyer, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of County of Grayson, Virginia 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 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. **These comments below should be read in conjunction with the schedule of findings and questioned costs included in the audited financial statements.**

County & Treasurer:

Accounting System Maintenance and Reconciliations:

- During our reconciliation of cash, we noted some entries were posted in the accounting funds and not the Treasurer's accountability fund. We recommend the Treasurer's Office and Finance Office work together to reconcile the General Fund and other Funds to the Treasurer's Accountability Fund to ensure the accuracy of the accounting records overall. Due to this lack of reconciliation process, we were unable to verify cash per the bank reconciliation to the reported funds by approximately \$22,233.

Treasurer:

Security for Public Deposits Act (SPDA) Compliance:

During fiscal year 2024, the Virginia Treasury changed the verification and submission process related to the SPDA. The local Treasurer's office is now required to quarterly log into the State system and verify the balance noted as ensured as public deposits agree to the balances the local Treasurer's office has in their records. The local Treasurer's office did not do this verification for the quarter ending June 30, 2024.

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County:**Credit Card Purchases:**

During our testing, we found that several receipts were missing, and numerous statements did not have evidence of detailed review and approval. We recommend all purchases be documented with a detailed receipt and the statements be reviewed and approved by someone other than the purchaser.

Conflict of Interest Statements:

During our review of the Conflict of Interest and Economic Interest Statements we noted several that were not completed thoroughly. We recommend all forms be completed in their entirety to ensure proper compliance.

Opioid Abatement:

During our review of the annual Opioid Abatement report, we noted that the report was submitted after the September 1st deadline. We recommend the report be created, reviewed, and submitted prior to the annual deadline.

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 full 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, conflict of interest, and procurement.

Social Services:**Expenditure Reconciliation:**

During our reconciliation of expenditures, we found an immaterial variance in most months of the fiscal year. We recommend the Social Services and Treasurer work to reconcile the records to ensure the amounts claimed from Virginia Department of Social Services are accurate.

Gift Cards:

During our testing of credit cards, we noted the Agency purchased significant quantities of gift cards. While a majority of these went to clients, we recommend ensuring proper documentation exists to properly tax the gift cards if provided to employees and similar documentation to ensure what program the gift cards are to be used.

Sheriff's Office:

Security for Public Deposits Act (SPDA) Compliance:

During fiscal year 2024, the Virginia Treasury changed the verification and submission process related to the SPDA. The Sheriff's office is now required to quarterly log into the State system and verify the balance noted as ensured as public deposits agree to the balances the Sheriff's office has in their records. The Sheriff's office did not do this verification for the quarter ending June 30, 2024.

Evidence Bank Account:

During our audit, we found that the bank statement did not have any indication of a detailed review by someone other than the account holder. Further, we noted that transactions occurred during the year which could not be substantiated. We recommend that all bank accounts require dual signatures and each bank statement and reconciliation be reviewed and agreed to a proper ledger by a third party.

School Board:

Federal Grant Expenditures:

During our single audit of federal programs, we had a difficult time reconciling grant reimbursement receipts to expenditures posted within a federal program of the accounting system. While each reimbursement request is supported by detailed expenditure listings, we recommend each federal grant be tracked with a separate project number in order to reconcile each grant's expenditures in the accounting system to the corresponding reimbursements.

Untimely Reimbursement Requests:

During our review of reimbursement requests, we found the School Board was not timely requesting reimbursement of expenditures. We recommend reimbursements be performed monthly and quarterly, at a minimum. Timely reimbursement requests will help cash flow but will help ensure accurate financial reporting because expenditures and corresponding revenues should be reported in the same period.