



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: April 3, 2025

MEMORANDUM TO: Bill Dingus, Interim County Administrator
County of Scott, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: June 30, 2024 Audit

In planning and performing our audit of the County of Scott, Virginia, for the year ended June 30, 2024, we considered the County of Scott, 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. **These comments below should be read in conjunction with the schedule of findings and questioned costs included in the audited financial statements.**

County:

Conflict of Interest Forms

During our review of the conflict-of-interest forms, we found that several were not completed. We recommend the forms be completed thoroughly and submitted by the annual deadline as required.

Written Policies and Procedures

We recommend the County work to develop and/or update its financial policies including procurement, small purchasing, fund balance reserve, and other Uniform Guidance requirements.

Virginia Security for Public Deposit Act

During fiscal year 2024, the Virginia Treasury Board changed the process and requirements compliance with the Virginia Security for Public Deposits Act. The County is required to create an account with the State and quarterly confirm that all its bank accounts are properly reported to the State. The Treasurer's office did not log in to verify the tax collection account for the quarter ended June 30, 2024. We recommend the Treasurer's office ensure that the balances are verified in a timely manner each quarter and that all accounts are included, as required.

Sheriff:

Calendar Sales Account

During our review of the Calendar Sales Bank Account held by the Sheriff's office we noted that the funds should be turned over to the Treasurer's office to process through the County's funds based on the Virginia Sheriff's Accounting Manual. Further, we noted the bank account and reconciliation did not have indication of review by someone other than the preparer.

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Sheriff: (Continued)

Community Fund

During our review of the Community Fund Bank Account held by the Sheriff's office we noted that the funds are donated funds and should be turned over to the Treasurer's office to process the County's funds based on the Virginia Sheriff's Accounting Manual. Further, we noted the bank account and reconciliation did not have indication of review by someone other than the preparer.

State and Federal Seizure Funds

We noted the bank account and reconciliation did not have indication of review by someone other than the preparer.

Virginia Security for Public Deposit Act

During fiscal year 2024, the Virginia Treasury Board changed the process and requirements compliance with the Virginia Security for Public Deposits Act. The Sheriff's office is required to create an account with the State and quarterly confirm that all its bank accounts are properly reported to the State. The Sheriff's office did not log in to certify the accounts for the quarter ended June 30, 2024. We recommend the Sheriff's office ensure that the balances are verified in a timely manner each quarter and that all accounts are included, as required.

School Board:

Conflict of Interest Forms

During our review of the conflict-of-interest forms, we found that several were not completed. We recommend the forms be completed thoroughly and submitted by the annual deadline as required.

Written Policies and Procedures

We recommend the School Board work to develop and/or update its financial policies including procurement, small purchasing, and other Uniform Guidance requirements.

Budget Advertisement

During the audit, we were not provided with documentation to substantiate that the School Board advertised the public hearing for budget at least 10 days prior to the March 7, 2023 public hearing.

Federal Grant Reconciliation

During our audit of multiple federal programs, we noted the School Board was not able to reconcile the reimbursement requests and revenue against a project code in the accounting system. Ideally, the revenue for most federal programs should agree to the expenditures within that project code to ensure expenses are claimed in total and not duplicated.

Credit Card Purchases

During our review of credit card purchases, we found that several receipts supplied did not agree to the charge amount and several other receipts were missing in total. We recommend all purchases be supported by a fully detailed receipt that itemizes the full purchase.

School Food Deposits

During our audit of the school nutrition program, we found that the reimbursements were not posted in a timely manner to the accounting system. We recommend school nutrition transactions be posted in a timely manner and reviewed monthly to ensure accuracy in reporting.

Prepayment of Goods

During our audit, we found that the School Board requested to be billed in May 2024 and paid for bulk paper in May 2024 but had requested delayed delivery until August 2024. We recommend the School Board not pre-pay for goods as best practice.

Social Services:

LASER Reconciliation

During our reconciliation of warrant registers to LASER submissions, we found a variance each month that was not properly documented. Although the net variance for fiscal year 2024 was \$16,420 under claimed we recommend the Agency put a procedure in place to reconcile each month's request to actual expenditures to ensure proper reimbursement.