



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 19, 2024

Memorandum to: Dan Collins, County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Craig, 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 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:

Statement of Economic Interests:

During our review of the required disclosure forms we noted two were incomplete. We recommend the forms be completed thoroughly and in a timely manner.

Virginia Fire Programs - ATL Funds:

During our review of compliance with the Fire Program funds, we found one brush truck payment of \$5,000 that did not include sufficient support. We were only provided with a copy of the check prior to clearing the bank. We recommend all purchases be fully supported with detailed receipts, sales agreements, and cleared check images.

Farmer's Market Collections:

We noted that the County opened operations at the new Farmer's Market during the current year. Based on this, we reviewed the revenue process. We recommend that all County revenue collections, including Farmers' Market rentals, be deposited into an official account held by the County Treasurer. Further, all County (including Farmers' Market) expenditures are to be paid from the County accounting system to ensure they are properly appropriated. The current process enhances fraud risk that funds are misappropriated. It also jeopardizes the County's compliance with the Code of Virginia and/or the Payment Card Industry Data Security Standard (PCI DSS). Online collection is allowed but the funds should be deposited directly into the County checking accounts using a certified software that is PCI compliant. Further, we recommend the County Administrator's or Treasurer's office to have access to the online processing application and sufficient documentation of each receipt be provided in a timely manner.

School Board:

Statement of Economic Interests:

During our review of the required disclosure forms we noted three were incomplete. We recommend the forms be completed thoroughly and in a timely manner.

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School Board: (Continued)

Budget Compliance:

During our review appropriations versus expenditures, we noted the School Cafeteria Fund overspent appropriations. During our audit visit, we were made aware of an additional appropriation that was provided to the Board of Supervisors in October 2024 to correct this amount that was spent in excess of appropriated funds. Additional appropriations should be approved before funds are spent.