

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: December 5, 2017

MEMORANDUM TO: Jonathan Sweet
County of Pulaski, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2017

In planning and performing our audit of the financial statements of County of Pulaski, Virginia for the year ended June 30, 2017, 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, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 5, 2017 on the financial statements of the County of Pulaski, Virginia. 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, to perform any additional study of these matters, or to assist you in implementing the recommendations.

County:

Credit Card Purchases

During our testing, we noted several purchases that did not include receipts for documentation or where receipts were not sufficiently detailed. We recommend that detailed receipts be required from all employees who utilize the County credit cards. Documentation should be maintained with the credit card statements for audit purposes. Per discussion with management, the County has a policy requiring reimbursement from credit card users for any undocumented expenses on the credit card statement. Since the prior year's audit comments were provided to management, this policy has been strictly enforced.

Statements of Economic Interest

Requirements for filing the statements of economic interest were changed for fiscal year 2017 in that forms were required to be filed between January 1, 2017 and January 15, 2017 (or the next business day if this fell on a weekend or holiday). Based on our review, a majority of the forms were filed outside of the required timeframe, with numerous being filed between December 1, 2016 and December 15, 2016 which was the required deadline for fiscal year 2016. Additionally, the form itself was the prior year's form in the majority of cases. We recommend that for fiscal year 2018, Board and Council members complete the forms in accordance with the updated 2018 filing deadline utilizing the most up to date forms. Accordingly, forms should be filed between January 1, 2018 and February 1, 2018.

Statements of Economic Interest forms should be filled out in their entirety, if forms or sections are not applicable, they should clearly be marked as such. During our review, we noted that several forms were not completed in their entirety or were not signed. We recommend that management review filed forms to help ensure that forms are completed fully.

Due to/from Component Units

There are large outstanding inter-entity balances between the County, the Public Service Authority, and the Industrial Development Authority, some of which have been held at a constant balance for several years. We recommend that management of the County and the Authorities work together to review the balances and develop a repayment plan or forgive same, as applicable, to ensure that amounts are appropriately reported in the financial statements.

Randolph Park:

Time Sheets

Employees at Randolph Park log into a system for timekeeping that has formal time sheets but, because they do not have a printer, the information is copied over by hand for submission to the County for payroll processing. To ensure that timesheets appropriately reflect hours worked, we recommend that a printer be placed in service at the Park in order to print the timesheets to be submitted to the County. Additionally, printed timesheets should be reviewed, approved, and signed off on by a Supervisor prior to submission to the County to adequately document approval.

Receipt Remittances

During our review of receipt documentation for Randolph Park, it was noted that a log is used daily to track the individuals that are admitted to the park. We recommend that a copy of this log be turned in with the daily remittances to the Treasurer to help further support the deposited amounts. While we did see improved documentation being submitted to the Treasurer, including register tapes that now document the date of receipt, this would help to further substantiate amounts collected by the park and remitted to the Treasurer.

Department of Social Services:

Business Continuity Plan

During our review of the Business Continuity Plan, it was noted that the plan does not address the three types of disruptions required by the State. We recommend that appropriate personnel review the VDEM guidelines and update the Business Continuity Plan accordingly. Additionally, the VDEM plan template should be referenced to assist in preparing and updating the business continuity plan on an annual basis. Guidelines can be found at the following website: <http://www.vaemergency.gov/emergency-management-community/emergency-management-plans/local-government-coop-resources>.

Approval of Expenditures

During our testing over expenditures, it was noted that on the case action forms there is a section for worker signoff, supervisor signoff, and for the requested purchase to be approved or rejected. We noted numerous instance wherein this section was left blank. We recommend that this section be completed in its entirety for all purchases before payments are issued to appropriately document approval of same.