

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: January 4, 2019

MEMORANDUM TO: Michael Hatfield
County of Wise, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2018

In planning and performing our audit of the financial statements of County of Wise, Virginia for the year ended June 30, 2018, 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. This letter does not affect our report dated January 4, 2019 on the financial statements of the County of Wise, 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.

School Board:

Capital Contributions

We noted a large contribution to Big Stone Gap related to Bullitt Park Track Renovations; however, we were unable to find approval of same in the Board minutes in open session. We recommend that similar contributions be discussed and approved in open session going forward.

Reimbursement Requests

During our audit of Title I expenditures, we noted that the appropriate allocation of one individual's salary was not used in completing the reimbursement request for same which resulted in an under-reimbursement of expenditures. We recommend that reimbursement requests and supporting documentation be reviewed in detail to ensure that the payroll amounts reconcile to payroll records and are appropriately allocated, as applicable.

County:

Statements of Economic Interest

In accordance with Section 2.2-3115 of the Code of Virginia, Board members and constitutional officers should complete and file a Statement of Economic Interest form and update same on an annual basis. We were unable to locate the completed Statement for two Board members. Further, certain individuals are required to file Real Estate Disclosure forms in accordance with Section 2.2-3115(G) of the Code of Virginia. We were unable to locate several forms that were required to be filed. We recommend that someone maintain a listing of the forms that are required and follow-up with individuals to help ensure they are filed timely.

LODA (Line of Duty Act) Census Data

Census data for volunteers covered under the County's LODA insurance is not sufficient to complete the required testing per the Auditor of Public Accounts specifications for Counties, Cities, and Towns. We recommend that management work with volunteer organizations to obtain the necessary information in order for testing to be completed in its entirety.

County and School Board:

Board Minutes

During our review of meeting minutes, we noted that the prior meeting minutes are approved but the date of same is not included. We recommend that going forward, the date of the prior meeting minutes being approved be included to provide additional documentation.

Outstanding Checks

We noted that the School Board bank account had checks on the June bank reconciliation that had not cleared through September. We recommend that the Treasurer's office work with School Board management to follow up on long-outstanding checks to help ensure that they are cleared in a timely manner.

Department of Social Services:

Adoption Assistance Program

In reviewing the approval of expenditures within the case files, we noted that files are not consistently approved and dated, particularly for monthly maintenance payments. We recommend that management work to ensure that all expenditures (including monthly maintenance payments) have approval which should include the initials/signature of the approver along with the date. Documentation should be maintained within the case file.