



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 7, 2022

Memorandum to: J. Vaden Hunt, Interim County Administrator

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the County of Pittsylvania, Virginia for the year ended June 30, 2022, 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.

County:

Conflict of Interest Forms:

During our review of the annual conflict of interest forms we noted several members of various boards/commissions that did not fully complete their required form. We recommend all the forms be completed thoroughly and submitted timely.

Children's Services Act (CSA):

During our random audit of CSA disbursements, we noted that several payments were not made timely. For example, a check issued in July 2021 was for October 2020 service provided. We recommend the CSA office work to obtain invoices in a timely fashion and get the bills processed to ensure accurate reporting. Further, the Code of Virginia's Prompt Payment Act requires payment to be processed within 45 days.

Water & Sewer Billing:

During our audit of water and sewer billings, we found that the County does not have an ongoing process to reconcile billings from the external billing system to the collections in the general ledger. We recommend a monthly process be used to ensure both billings and collections are all properly posted.

Solid Waste Fund Debt Covenant:

During our audit of debt issuances, we noted that the Financing Agreement requires the net revenues available for debt service to be equal to at least 100% of annual debt service. While the only debt service paid during fiscal year 2022 was refunded amounts, using the projected fiscal year 2023 debt service amounts with current year activity would not have been sufficient for compliance with the debt covenant.

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Jail Medical Copayments:

During our review of the inmate medical copayment forms, we found several forms that the charges were not posted in a timely manner. We recommend the forms be processed within a timely manner (i.e. each within the same month).

School Board:

Federal Grants Policies:

During our review of the School Board'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 School Board review both policies in total to ensure up to date compliance but specifically recommend the School Board address the following policies and procedures in writing: grant cash management, grant allowability review, and procurement.

Grant Reimbursement Requests:

During our audit, we noted several reimbursement requests were not completed timely. We recommend all reimbursement requests be completely at least quarterly and preferably each month. If reimbursement requests are not performed timely it can lead to missing accruals and inaccurate financial information.

Social Services:

Special Welfare:

During our audit of the Special Welfare account, we noted the Treasurer is not being reimbursed monthly. We recommend that all refunds and reimbursements be performed in a timely manner. Further, we noted several dormant accounts that need to be properly addressed.

Case Action Forms/Invoice Cancellation:

During our test of disbursements, we noted several purchases and payment were not documented with a current case action form and proper cancellation. We recommend all case action payments be supported with a current year form and be stamped or noted with "paid" and a check number to prevent potential duplicate payments.

LASER Reconciliation:

During our reconciliation of DSS expenditures to the general ledger we found all twelve months contained immaterial errors. As part of the monthly reconciliation process, the staff should reconcile the LASER submission with the County Finance Office. Further, the LASER closing process should be performed, reviewed, and submitted on time. The June 2022 LASER submission was filed untimely and therefore caused immaterial reconciliation variances. While those variances correct themselves in August 2022, we recommend controls be put in place to ensure each month's submission agrees to the County's financial system.

Segregation of Duties:

During our inquiry of controls and processes, we noted that one employee enters the vendors and invoices into the accounting system. This employee is also capable of signing checks. While we recognize this may have been an interim process during staff turnover, we recommend the individual entering payments into the system not have the ability to sign checks.