

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: January 31, 2017

Memorandum To: Board of Supervisors
County of Westmoreland, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2016

In planning and performing our fieldwork as part of the audit of the financial statements of the County of Westmoreland, Virginia for the year ended June 30, 2016, 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 January 31, 2017 on the financial statements of the County of Westmoreland, Virginia. Our comments and recommendations are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss the comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Land Use Office

During the course of our audit, we noted that the land use office collects monies related to permits issued by the office and then remits the money to the Treasurer's office on a weekly basis. We recommend that these monies be collected directly by the Treasurer's office. The individual obtaining a permit could pay their fees at the Treasurer's office and then take their receipt back to the Land Use office to obtain the permit. This process would improve the timeliness of the deposit of such monies and reduce the amount of undeposited funds on hand.

Cafeteria Revenue Postings

Cafeteria sales receipts are collected daily at each County school. These monies are deposited to the bank on a daily basis. However, the cafeteria sales revenues are posted to the automated accounting system at the County on a monthly basis. We recommend that cafeteria sales revenues be posted to the automated accounting system as they are received to ensure accurate and timely financial reporting and aid in the reconciliation processes of the County.

School Board - Payroll Clearing Accounts

During the course of our audit, we noted errors in payroll processing and journal entries related to payroll that led to the payroll clearing accounts not clearing out properly. In addition, these issues lead to additional strain on the County Finance Department and Treasurer's Office who had to attempt to detect and correct these errors. We recommend that each payroll batch and payroll related journal entry be reviewed in detail to ensure that the payroll is accurate to ensure that the payroll clearing accounts clear properly.

Governmental Accounting Standards Board Pronouncements

In order to assist your staff in preparing for upcoming accounting changes, we have included the following summaries of Governmental Accounting Standards Board (GASB) pronouncements that will affect the County in upcoming years.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. No formal study or estimate of the impact of this standard has been performed.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. No formal study or estimate of the impact of this standard has been performed.