

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: January 5, 2018

MEMORANDUM TO: David Cox
County of Wise, 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 Wise, 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 January 5, 2018 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 Projects:

During the year, one of the schools received a very large contribution, deposited same in the School Activity Funds Account, and built a tennis court facility with the proceeds. The school procured the goods and made payments directly to vendors but did not follow the Code of Virginia requirements for procurement. We believe that this type of project is outside the scope of the intended use of school activity funds. In the future, any such donations should be turned over to the Treasurer and funds should be held as restricted for a specific purpose. This will ensure that adequate controls are in place over the funds and expenditure of same and that all procurement requirements are followed.

County:

Wise Development Fund

Funds requested for reimbursement through the Wise Development fund are remitted from the Clerk of the Court to the Treasurer's office. We recommend that funds be transferred to the Treasurer within 3-5 business days. During our testing, we noted that there were several instances in which the transfer of funds was not made in a timely manner.

County and School Board:

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.

Department of Social Services:

Comprehensive Services Program (CSA):

During our review of CSA files, we noted that the files were not maintained in an orderly fashion. Specifically, we noted that documents were placed loosely (unbound) in case files and were not organized in accordance with indexes located at the front of each file. Documents that are loosely placed in files can be easily lost in transport. In addition, documents that are not filed in the proper section(s) are difficult to locate during case evaluations.

We strongly recommend that the CSA program develop a process for maintaining case files in an orderly fashion. We further recommend that the Program utilize the State's CSA Inventory Worksheet to ensure that all necessary case documents are maintained. Finally, as these case files are voluminous, we recommend the Program consider using binders (three-ring binders) instead of case folders for these case files.