

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: October 26, 2018

Memorandum To: Gloucester County Board of Supervisors

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2018

In planning and performing our audit of the financial statements of the County of Gloucester, 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 opinion on the financial statements and not to provide assurance on the internal control structure.

During our audit fieldwork, we noted certain matters involving the internal control structure and other operational matters that are presented herewith 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 operational 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.

Utilities Department

The County maintains an inventory of maintenance supplies in the Utility Fund. This inventory listing is summarized and the Utility Fund balance sheet is adjusted on an annual basis. In FY18, the inventory count was performed on September 21, 2018 by the Utility Foreman and reviewed and approved by the Utilities Director. We recommend that the inventory count be performed on or around June 30th each year and that the Utility Foreman sign and date the count sheet. RFC further recommends that the inventory count be performed on a routine basis during the year and consideration be given to utilizing an automated system for reporting and recording maintenance supply inventory financial activity on a perpetual basis.

During our audit of the Utilities accounts receivable balance, we noted that there were some items that have been outstanding between 120 and 2,000 days totaling approximately \$60,000. We recommend that all delinquent accounts be reviewed individually to determine if they are collectible and steps taken to write off amounts deemed to be uncollectible.

During our audit of Utility customer deposits, we noted that there was one large deposit totaling \$71,580 for the Bray Woods account that has been on deposit with the County since 2005. Inquiry revealed that the corporation that placed the deposit did not finish their work and went bankrupt. The Utilities Director has performed due diligence in trying to make contact with the depositor. We recommend that this matter be researched further and consideration be made to turning this amount over to the Commonwealth of Virginia in accordance with Virginia's unclaimed property laws and regulations.

Virginia Retirement System (VRS) compliance

When performing our VRS compliance work in accordance with the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts, we were unable to verify census data elements for the Line of Duty Act (LODA) volunteers at Abingdon and Gloucester Volunteer Fire and Rescue Departments to include name, gender and date of birth. We recommend that the Human Resources Department obtain and review copies of driver's licenses and/or birth certificates for all volunteers that are covered under the LODA program to ensure that census data elements reported to the VRS are complete and accurate.

Status of prior year recommendations

We noted corrective action relative to prior year written recommendations regarding improvements to fixed asset accounting and reporting and review and approval of monthly adjustments to the Utility billing system by the Utilities Director.