



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: November 29, 2021

MEMORANDUM TO: Andre Villiard - Chief Financial Officer
Michael Hatfield - County Administrator
County of Wise, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2021

In planning and performing our audit of the financial statements of County of Wise, Virginia for the year ended June 30, 2021, 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 March 1, 2021 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

Reconciliation with County:

During review, it was noted that the trial balance provided by the School Board did not agree to balances provided by the County for same. We recommend that a monthly cash-basis reconciliation be performed by the School Board to the Treasurer's records to ensure that cash, revenues, and expenditures agree and reporting is accurate.

County and School Board

Budget for County Appropriation

The School Board's final budgeted amount for the contribution from the County does not agree to the County's final budget for same. We recommend that the School Board and County work together to ensure that budgeted amounts for the contributions between entities agree.

Statements of Economic Interest

Certain individuals are required to file Conflict of Interest or Real Estate Disclosure forms in accordance with Section 2.2-3115(G) of the Code of Virginia. Several forms were not completed in their entirety. We recommend that someone continue to work with individuals on the various Boards and Commissions to help ensure required forms are completed in full.

BLACKSBURG OFFICE:

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(540) 552-7322

CONTACT:

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County

Vehicle Procurement

The County entered into a lease purchase agreement in April 2020 for the purchase of 70 vehicles. Purchases continued in to 2021 and the following were noted:

Issue Noted	Recommendation
Invoiced amounts could not be reconciled by the auditor to bid amounts for same.	An individual should be responsible for ensuring that invoiced amounts agree to bid amounts
Upfitting charges were included with the overall vehicle bid; however, invoices do not provide detail to assign values for capitalization in the same manner. An overall upfitting charge was capitalized separately.	Invoices should be required from vendors to ensure that capital asset values are appropriately reported and to allow for comparison of bids to actual payments.

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.

Written Policies for Federal Programs

The Uniform Guidance requires that the entity have certain written policies to ensure compliance related to federal programs. We were unable to obtain copies of same during the audit. We recommend that management adopt written policies/procedures as required and provide same for audit purposes.

Credit Card Documentation

During review, we noted several instances in which documentation maintained for credit cards did not include detailed receipts. We also noted finance fees paid on one month's statement due to late payment. Additionally, the December 2020 statement included the purchase of gift cards and we did not see acknowledgment from the recipient for same. Going forward, we recommend that detailed receipts be maintained for all purchases, payments be made timely to avoid fees, and gift card acknowledgements be obtained.

Posting of Payroll Reimbursements

Grant amounts received to reimburse payroll related expenditures are being posted to contra-expenditure accounts. We recommend that grant revenue be posted to revenue accounts instead to ensure appropriate reporting in the financial statements and the schedule of expenditures of federal awards.

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