



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: November 18, 2019

Memorandum To: Board of Supervisors and Management
County of Amelia, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2019

In planning and performing our audit of the financial statements of County of Amelia, Virginia as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. This memorandum summarizes our comments and suggestions regarding those matters.

We would be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bank Reconciliations

During our audit of the County's bank reconciliations, we noted instances where the reconciled cash balance per the Treasurer's bank reconciliations did not agree to the cash balance reported on the County general ledger. We suggest that bank accounts be reconciled and all differences between general ledger and bank balances be investigated on a timely basis by appropriate personnel so that errors and adjustment can be quickly identified and corrected.

The Treasurer's office performs the bank reconciliation function. However, it was noted that there was no indication as to when the bank reconciliations were prepared nor were there procedures in place to review the bank reconciliations after these were completed. We recommend that the Treasurer sign and date the monthly bank reconciliations to ensure timeliness of preparation. We also suggest that the Finance Director review the monthly bank reconciliations for any unusual items, investigate and fully resolve any such items and document his or her approval by initialing the form.

Interest Earned

The Treasurer's office was not identifying and recording interest earned throughout the year on the County's certificates of deposit. As a result, proposed audit entries were necessary to correctly state the cash balances at year-end. We recommend that the Treasurer's office perform quarterly reviews of these accounts to identify and record interest revenue when earned.

Children's Services Act - Reimbursement Requests

During our audit of the Children's Service Act (CSA) funds, we noted that reimbursements requests were not being filed in a timely manner. The first reimbursement request of FY2019 was not filed until February 2019 and there were three more requests filed thereafter. We recommend that CSA personnel file reimbursement requests in a timely manner, ideally on a monthly basis.

Department of Social Services - Form 941 Preparation

During our audit, we noted that the figure reported as federal wages on the first three quarterly Forms 941 filed in FY2019 was not calculated properly. The amount reported as federal wages on the quarterly Forms 941 should not include wages that are exempt from federal income tax in the current year (e.g. employee contributions to VRS retirement plans). The figure reported as federal wages on the Form 941 for the second quarter 2019 appears to have been calculated properly. We recommend that DSS personnel review IRS provided instructions for Form 941 preparation and assess whether changes need to be made to the quarterly Form 941 reporting process.