

**PITTSYLVANIA COUNTY, VIRGINIA**

**REVIEW OF SOCIAL SERVICES ADMINISTRATIVE EXPENDITURES**

**AGREED UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**

---

PITTSYLVANIA COUNTY, VIRGINIA  
REVIEW OF SOCIAL SERVICES ADMINISTRATIVE EXPENDITURES  
AGREED UPON PROCEDURES ENGAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

---

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures .....	1
Introduction .....	2
Payroll Expenditures .....	2
Check Purchases .....	2
Credit Card Purchases .....	3
Summary .....	3

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Pittsylvania County, Virginia  
PO Box 426  
Chatham, Virginia 24531

## Independent Accountants' Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below for the period of July 1, 2017 through June 30, 2018, which were agreed to by the management of Pittsylvania County relative to administrative expenditures at the Pittsylvania Department of Social Services. The management of Pittsylvania County and the Pittsylvania County Department of Social Services are responsible for the appropriateness of administrative expenditures and documentation of same. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed were:

- Payroll expenditures were reviewed as noted in the attached report.
- We performed a detailed review of administrative expenditures as noted in the attached report.
- We reviewed credit card purchases as noted the attached report.

The results of the above procedures are described in this report on page 3.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County and management and is not intended to be and should not be used by anyone other than these specified parties.



Blacksburg, Virginia  
October 15, 2018

Pittsylvania County, Virginia  
Review of the Social Services Administrative Expenditures  
For the Year Ended June 30, 2018

---

**Introduction:**

The Pittsylvania County Department of Social Services (DSS) makes purchases that are categorized as Assistance Payments, Purchases of Services, or administrative expenditures. This review is focused on administrative expenditures. During the fiscal year, the DSS spent \$4,072,465 in total administrative expenditures. Payroll expenditures make up \$3,721,479 of these administrative expenditures and the remaining \$350,986 are accounts payable purchases. The accounts payable portion of the expenditures were further divided into credit card purchases (\$39,873) and check purchases (\$311,113) for testing and results are reported as such.

**Payroll Expenditures:**

We reviewed payroll totals analytically for the fiscal year and reviewed the 12/29/2017 and 6/30/2018 payrolls in detail. Through review and inquiry we noted the DSS Director signed off on the payroll total sheet as approval and most timesheets were approved by the Director. Although the payrolls appeared to be reasonable and consistent in total, we noted the following concerns:

- Salary approval is not documented. The DSS Board approved a pay increase in August 2017 and the total percentage was approved but no one documented approval of each individual salary. We were told the Board and Director review the expenditure lines against the budget, but not individually by person. We recommend the DSS Board annually review and approve a list of salaries. It would be good practice for the DSS Director to include an approved salary report in each employee's personnel file.
- During the review of the 12/29/2017 payroll, we found approved timesheets for all 74 employees, except for Sherry Flanagan, Margaret Roach, and Jennifer Jones.
- During the review of the 6/30/2018 payroll, we found approved timesheets for all 74 employees, except for Sherry Flanagan and Renee Shumate.

**Accounts Payable Expenditures:**

*Check Purchases*

During the review of accounts payable purchases made with checks (including 435 purchases) we found the general documentation and approvals to be reasonable. However, we noted the following items:

- We found 7 purchases, totaling \$1,874, for the cooling program that were paid for DSS clients out of administrative funds and posted to utilities.
- We found several purchases that appear to be improperly coded to the accounting system.
  - Several purchases of flowers were posted to Professional Service Other.
  - Check number 124827 dated 12/13/2017 in the amount of \$960 payable to Gentlemen's Ridge Catering for the staff Christmas lunch was posted to Professional Service Other.
  - Several reimbursements to the County for utilities were posted to Building Depreciation which should only consist of rent paid to the County.

Pittsylvania County, Virginia  
Review of the Social Services Administrative Expenditures  
For the Year Ended June 30, 2018

---

Accounts Payable Expenditures: (Continued)

*Credit Card Purchases*

The Social Services department has two major credit cards: First Citizens and Exxon. We reviewed several months of the Exxon card and noted several missing receipts but those statements include the necessary detail of each purchase and they were approved by the DSS Director. The Exxon purchases for the fiscal year totaled \$1,089. The First Citizens credit card did not include similar detail on the statement. The First Citizens credit card purchases (administrative expenditures only) totaled \$38,784. We reviewed six months in detail tracing each purchase to the supporting documentation and noted the following concerns:

- Two \$150 gift cards were purchased as retirement gifts and we did not see evidence that these were taxed appropriately. In addition, we did not see supporting documentation demonstrating receipt of the gift cards by the retiree.
- We found 9 missing receipts totaling \$639 over a six month span.
- We noted several local meal purchases without documentation of the reason for same. As such, these meals may trigger a taxable event for the employee(s) receiving same.
- We noted a majority of the credit card purchases lacked approval on each supporting receipt.
- We were unable to reconcile the receipts for the 10/31/2017 credit card payment by \$30.
- We noted a purchase dated 8/2/2017 to Mariner's Landing totaling \$3,561 for a conference that included an overnight stay. Mariner's Landing is approximately 40 miles from the DSS office and therefore we'd consider the overnight stay to be a taxable fringe benefit. In addition, based on our judgement we would consider this purchase and the existing documentation for same to be unallowable for federal funds based on Uniform Guidance requirements.

Summary

In conclusion, the majority of the administrative expenditures were properly approved and documented. We recommend management improve the documentation and approval process for the credit card purchases.