



December 13, 2023

To the Honorable Members of the Board of Supervisors  
County of Augusta, Virginia

In connection with our audit of the financial statements of the County of Augusta, Virginia (County) for the year ended June 30, 2023, we have the following comments and suggestions for your consideration.

## **County**

### ***Compliance with the State and Local Government Conflict of Interest Act***

The *State and Local Government Conflict of Interest Act* is designed to ensure the judgement of public employees is not compromised or affected by inappropriate conflicts. The *State and Local Government Conflict of Interest Act*, contained in Chapter 31 (Section 2.2-3100 et seq.) of the Title 2.2 of the *Code of Virginia*, prohibits local government officers or employees from participating in certain transactions in which they or their family members have a material financial interest. Certain local government employees are required to file Real Estate Disclosure forms with their respective local body. Submissions were due February 1, 2023.

During the current year audit, we noted one statement was not filed timely and one statement was not filed. We recommend all statements be signed and filed timely to ensure compliance with state requirements.

## ***Schools***

### ***School Cafeteria Collections***

It was noted during our testing of daily school cafeteria cash collections there was a difference between the Daily Transaction Summary report and the total cash deposit per the deposit ticket. We recommend that Transaction Summary reports are reviewed daily to ensure there are no variances between the amount deposited and Transaction Summary reports.

## ***Social Services***

### ***Department of Social Services Fraud***

We were made aware while performing testing at the Department of Social Services that there was a fraudulent application related to SNAP benefits that spanned from May 2021 through October 2022. The alleged application was submitted by an employee who was fraudulently reporting household members and income in order to qualify for the benefits. SNAP cases are periodically reviewed according to SNAP policy, however the documentation was falsified by the applicant. An anonymous tip to the local Department of Social Services fraud supervisor was used to help identify the case. The employee was subsequently terminated and the case was prosecuted by a Commonwealth Attorney with a guilty plea for welfare fraud.

***New GASB Pronouncements***

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the County. The statements which might impact the County are as follows:

***GASB Statement No. 99, Omnibus 2022***

This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

***GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62***

This Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

***GASB Statement No. 101, Compensated Absences***

This Statement will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

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

If you have any questions concerning any of these items, or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2023 and express our appreciation to everyone for their cooperation during this engagement.

