



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 11, 2017

Robinson, Farmer, Cox Associates
P. O. Box 6580
Charlottesville, VA 22906

We have reviewed the working papers for the audit of the County of Albemarle, Virginia, which includes the County of Albemarle Public Schools, for the year ended June 30, 2016. The purpose of our review was to determine whether:

- A. the audit complies with the Specifications for Audits of Counties, Cities, and Towns, issued by the Auditor of Public Accounts;
- B. the audit complies with Government Auditing Standards, issued by the Comptroller General of the United States;
- C. the audit complies with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- D. the annual financial reports comply with generally accepted accounting principles for governmental entities; and
- E. the auditor has performed the agreed upon procedures for the Comparative Report Transmittal Forms as set forth in the Uniform Financial Reporting Manual, issued by the Auditor of Public Accounts.

We conducted our review in accordance with the 2016 Quality Control Review Program for Audits of Local Governments, developed by the Auditor of Public Accounts. The review was limited to the audit of the County of Albemarle, Virginia, and did not extend to any other engagements performed by your firm.

During our review, we noted the following deficiencies that the firm should address to further enhance the quality and effectiveness of its local government audits.

Improve Working Paper Documentation

Comment – Government Auditing Standards, AICPA standards, and federal compliance standards require that audit working paper documentation contain sufficient information to enable an experienced auditor having no previous connection with the audit to ascertain from the audit documentation the nature, timing, and extent of audit procedures performed and the evidence that supports the auditor’s significant judgments and conclusions. Further, audit documentation should adequately support specific items tested and address all documentation requirements for specific procedures as outlined in the standards.

We noted instances where the firm’s planning and risk assessment procedures were not adequately documented, specifically related to the preliminary analytical review; identifying risks and the linkage between the design and performance of further audit procedures to respond to the identified risks; and the auditor’s consideration of major programs designated as higher risk for the single audit risk assessment.

We also noted instances where documentation for single audit federal test work was not adequate related to the auditor’s determination and judgment for not testing a specific compliance requirement that is applicable to the federal program; and the auditor’s basis and justification for reducing the sample size below the minimum size suggested by AICPA guidance for a dual purpose sample testing the federal allowability compliance requirements for two major programs along with the state compliance requirements. Additionally, test work documentation for these sampled items did not identify the federal fund source or program. Accordingly, the working papers did not clearly demonstrate that the auditor obtained sufficient appropriate audit evidence about the entity’s compliance with the applicable direct and material compliance requirements. Further, elements required to be reported in the Schedule of Expenditures of Federal Awards and accompanying footnotes were not included in accordance with new federal requirements.

Recommendation – We recommend the firm ensure it follows all applicable auditing standards, federal standards, and the firm’s policies when planning, performing and documenting audit test work. Specifically, we recommend the firm ensure the working papers clearly demonstrate the performance of audit planning and audit procedures required by the standards and document all required sampling considerations.

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We found that for the audit of the County of Albemarle, Virginia, for the year ended June 30, 2016, except for the deficiencies described above, the working papers appropriately supported the requirements listed in A through E above. Firms can receive a rating of pass, pass with deficiencies, or fail. Robinson, Farmer, Cox Associates has received a review rating of pass with deficiencies.

We discussed these matters with your firm on June 28, 2017, and again on August 16, 2017. We will perform a follow-up review in the coming year to ensure the firm has addressed the issues we noted during our review.

This report is intended for the information and use of management. However, it is a public record and its distribution is not limited.

Sincerely,

Martha S. Mavredes
Auditor of Public Accounts

cc: County of Albemarle
County of Albemarle Public Schools
Virginia Board of Accountancy
Virginia Society of Certified Public Accountants