

# COUNTY OF YORK MEMORANDUM

**DATE:** August 9, 2024  
**TO:** York County Board of Supervisors  
**FROM:** Mark L. Bellamy, Jr., County Administrator   
**SUBJECT:** Auditor Communication to those Charged with Governance

The U.S. Auditing Standards provide guidance for what is required communication for those charged with governance. The planning communication letter is a method for the auditors to provide such information to the Board members. The standards point out that communicating what is involved in an audit and the significant risk in audits of all localities assists those charged with governance to perform their oversight duties in regard to the financial reporting process.

As part of the audit, our auditors, Brown Edwards & Company, L.L.P. have prepared the attached planning communication letter for the Board of Supervisors. This letter fulfills the requirements governed by the U.S. Auditing Standards.

At the December 3, 2024, Board meeting, the auditor will present to the Board the results of the annual audit, significant audit matters, discuss the internal controls and report any other required communication.

Santiago/3711

Attachment:

- Audit Planning Communication Letter



## Communication with Those Charged with Governance During Planning

To the Board of Supervisors  
County of York, Virginia  
PO Box 532  
Yorktown, VA 23692

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia for the year ended June 30, 2024. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and the Uniform Guidance**

As stated in our engagement letter dated June 6, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the County of York, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the County of York, Virginia's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the County of York, Virginia's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the County of York, Virginia's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County of York, Virginia's compliance with those requirements.



Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI referenced in our engagement letter, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the supplemental information referenced in our engagement letter, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited, and we will not express an opinion or provide any assurance on it.

## **Planned Scope and Timing of the Audit, Significant Risks, and Other**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

The level of risk of management override of controls will vary from entity to entity, the risk is, nevertheless, present in all entities. As part of our audit planning, we identify the potential for management's override of controls which poses a significant risk of material misstatement. This risk includes the potential to perpetrate fraud by manipulating accounting records and prepare fraudulent financial statements, even where such internal controls might otherwise appear to be operating effectively.

We expect to begin our audit upon receipt of the signed engagement letter and issue our report no later than November 28, 2024. Leslie F. Roberts is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

## **The Concept of Materiality in Planning and Executing the Audit**

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would not cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us unless clearly inconsequential in connection with your evaluation or our audit test results.

## **Inquiries Concerning Fraud**

As part of the planning process, we assess the risk of misstatements in the financial statements, whether from fraud or error. We anticipate speaking with the Board Chairman on the below questions, however, other Board members may comment as applicable. If your consideration of the below questions yields no concerns, we do not require that you respond to us. However, if you have any concerns or would like to simply discuss anything related to this audit, please contact us at:

Christine Turner, CPA  
(757) 316-3208  
cturner@becpas.com

- Are you aware of any fraud, suspected fraud, or allegations of fraud?
- Are there departments or processes where you think fraud could easily occur and remain undetected?
- Are you comfortable with the integrity of management?
- Are you aware of any illegal acts or noncompliance with laws or grant agreements?
- Are you confident that personnel possess appropriate skill sets, and are committed to providing high quality financial information?
- Are there particular areas in the financial statements where you have concern that misstatements could occur?
- Are there any circumstances that you believe should be of interest to your auditors, but of which management is unaware or might have reason to not fully disclose to us?
- Are you satisfied that those charged with governance are actively involved in the Organization's assessment of the risks of fraud and the programs and controls established to mitigate those risks?
- Are there any significant unusual transactions that the entity entered into during the year?
- Do you have any concerns about the entity's related-party relationships and transactions?



## Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. We are not aware of any circumstances that have impaired our independence with respect to our engagement as described in our engagement letter.

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

*Brown, Edwards & Company, S.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
July 23, 2024