

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: November 19, 2009

MEMORANDUM TO: County of Clarke, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 09 Audit

In planning and performing our fieldwork as part of the audit of the financial statements of the County of Clarke, Virginia ("County") for the year ended June 30, 2009, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 19, 2009 on the financial statements of the County of Clarke, Virginia. Our comments and recommendations are intended to improve the internal control structure or result in other amounts that are normally operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Procurement

During the course of our audit management disclosed evidence of "bid splitting" and other actions to circumvent the County's purchasing policy by an agency of the County. It was noted that the agency in collusion with a local vendor produced illegitimate invoices to substantiate purchases at year-end to fully expend County appropriations. Additionally, there was evidence of "bid splitting" or purchasing related items in separate transactions to avoid procurement guidelines based on the amount of the total purchase. To mitigate future procurement violations we recommend the County implement controls over the purchasing authority of County departments and agencies, more specifically at year-end.