

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 9, 2018

Memorandum to: Randy Wingfield, Town Manager
Valerie Tweedie, Director of Finance/Treasurer

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the Town of Christiansburg, Virginia for the year ended June 30, 2018, we considered the Town's internal structure to plan our auditing procedures for the purpose of expressing our opinions 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. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience.

Delinquent Tax Listing

During our audit of delinquent taxes, we noted the listing of individuals that owe taxes does not agree to the summary reports generated for the financial reports by an immaterial amount. We recommend the delinquent tax listing of individuals be reconciled to the general ledger on a monthly basis and at a minimum on an annual basis.

Management response: We will further investigate this comment to determine differences and ability to reconcile. This is one of the applications that new software may be required to resolve.

Accounting Software

During our review of the cash receipt process, we noted the transactions have adequate procedures in place but rely on significant manual operations to post the transactions to the general ledger. We recommend considering accounting software that can encompass all of the Town's financial needs. This will relieve some burden on the staff and reduce the risk of human error.

Management response: We are aware of the need for more fully integrated software and hope to start pursuing more suitable software applications to reduce manual operations and work arounds.

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Urban Highway Maintenance

During our audit we noted that the annual Survey was submitted on March 27, 2018 after the Auditor of Public Accounts' deadline of March 15th. We recommend the Survey be submitted prior to the deadline going forward.

During our testing we found the daily worksheets included some inaccuracies. As a result, amounts reported on the annual Survey could be inaccurate. We recommend the Town implement a process to ensure hours worked and rates included in the annual Survey are accurate and all reported work performed on eligible streets.

Management response: Management acknowledged the need for changes on who files the annual Survey and will proceed to get this done timely. The VDOT sheet preparation has changed and should be accurate going forward.