ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | CONSULTANTS

Date: December 31, 2024

Memorandum to: Elaine Holeton, Assistant Town Manager
Angela Pennington, Treasurer

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the Town of Wytheville, Virginia for the year ended June 30, 2024, we considered the Town's internal 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 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.

Urban Highway Maintenance (UHM)

As part of the Auditor of Public Accounts (APA) *Specifications for Audits of Counties, Cities and Towns* we are required to verify the survey sent to the Weldon Cooper Center for Public Service. We accomplish this by testing various amounts charged against Street Maintenance departments. While the Town has improved its record keeping related to UHM we have the following recommendations that will improve the process:

- Time worked by employees in departments related to UHM should be tracked by allowable and unallowable time. Unallowable allocations should not be included in the survey to the Weldon Cooper Center. The Town currently uses all amounts posted to applicable departments in the survey.
- Accounts payable transactions should be tracked by allowable and unallowable costs. A copy of each invoice that is allowable should be maintained separately from other accounts payable transactions. Only allowable accounts payable transaction should be included in the survey to the Weldon Cooper Center.
- The Town should design a system that allows them to track allowable expenditures to be reported on the survey sent to the Weldon Cooper Center. Currently, the Town assumes everything posted to the street departments are all allowable expenditures.

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