



Date: January 23, 2026

Memorandum To: Council
Town of Dumfries, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2025

In planning and performing our audit of the financial statements of the Town of Dumfries, Virginia for the year ended June 30, 2025, we considered the Town'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 fieldwork tests we noted certain matters involving the internal control structure and other operational matters that are presented herewith for your consideration. This letter does not affect our report dated January 23, 2026. 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 operational 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.

Policies and Procedures - Comprehensive Financial Policies, Procedures and Processes for Financial Reporting

We recommend that the Town continue to develop a comprehensive financial policies and procedures manual in order to formalize a comprehensive manual that reflects and updates the Town's current fiscal practices, policies, procedures and processes in relation to financial reporting. This will reduce the risk of inefficiencies in the event of any turnover, emergency or leave. We recommend that that manual includes, but is not limited to the following:

- Establish employee roles and responsibilities.
- Enhancing segregation of duties and cross training employees.
- Processing daily, weekly, monthly, and quarterly transactions. For example:
 - Receipts
 - Disbursements
 - Bank reconciliations
 - Processing payroll and payroll related reports
 - Journal entries
- Identifying and recording year-end accruals and transactions, for example:
 - Accounts receivable
 - Taxes receivable
 - Prepaid expenses
 - Capital assets and accumulated depreciation
 - Accounts payable and accrued expenses, including accrued leave

Various Liability Accounts

During the course of our audit, we noted there was limited formalized reconciliation and review of the various liability accounts on the balance sheet. We recommend that the Town performs a formalized reconciliation of the various liability accounts on the balance sheet at fiscal year end. If necessary, a subsidiary spreadsheet or listing and/or other appropriate documentation should be reconciled to the balance reported in the balance sheet account at year end. Any variances should be reviewed, and adjustments prepared as necessary. Such reconciliation should be prepared and then reviewed by another individual.

Prompt Payment

During the course of our audit, we noted instances in which invoices were not paid in a timely manner. We recommend that all invoices be paid within 45 days in accordance with the Prompt Payment of Bills provisions of the Virginia Public Procurement Act and to avoid unwarranted late payment penalties and finance charges paid by the Town.

Fire Programs - Annual Report on Aid to Localities

During the course of our audit, we noted that the Annual Report on Aid to Localities from the Fire Programs Fund was not correctly completed. The total amount received for the fiscal period did not agree with the Town's accounting records and no explanation on the future spending plan for the remaining balance was provided. Additionally, inadequate supporting documentation was provided to program expenditures on the Annual Report. We recommend that the Annual Report on Aid to Localities form be correctly completed in its entirety and supported by adequate supporting documentation.

Reconciliation and confirmation of SNAP Accounts

During the course of our audit, we noted that the SNAP accounts were not reconciled as of June 30, 2025. We recommend that the accounts be reconciled monthly. The reconciled balance should agree with the balance reported in the accounting system. Any variances should be investigated and appropriate adjustments made. Changes in fair market values of investments should be recorded in the accounting system in order to reflect accurate balances for all accounts.

Public Depositories (SPDA)

During the course of our audit, we noted that the amounts reported to the Treasury Board were not verified on a quarterly basis. Per section 1VAC75-20-160 of the revised SPDA Regulations, local public entities are to verify to Treasury that their accounts and account balances are being correctly reported to the Treasury Board by their financial institution. We recommend that the account balances reported to the treasury on confirmed on a quarterly basis.

Budget Public Hearing and Adoption

During the course of our audit, we noted that the public hearing for the 2025 budget was not held at least 7 days prior to adoption of the budget. The budget was adopted the date of the public hearing. Per Code of Virginia, (Sec 15.2-2506), the public hearing on the budget is to be held at least 7 days prior to adoption of the budget. We recommend that the budget public hearing be held at least 7 days prior to the adoption of the budget.