

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 4, 2017

Memorandum to: Randy Wingfield, Interim 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, 2017, 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.

Statements of Economic Interest

During our review of Statements of Economic Interest we noted one Council Member's form was filed after the deadline. In addition, we noted four Planning Commission members were appointed on January 10, 2017 and didn't file prior to the deadline. We recommend all forms be submitted completely before the deadline.

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.

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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.

During our audit of accrued leave we noted a significant formula error in the sick leave calculation. We recommend significant spreadsheets be reviewed for accuracy and reconciliations be included on the same.

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.

Reconciliation of Urban Highway Maintenance Survey

During our reconciliation of the Survey we found an immaterial variance. Although the variance was immaterial we would expect the variance to be smaller and recommend the Town Finance Department assist in the filing and reconciliation process to ensure its accuracy.