



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: February 21, 2020

MEMORANDUM TO: Town Council
Town of Colonial Beach
Colonial Beach, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 19 Audit of Town of Colonial Beach, Virginia

In planning and performing our audit of the financial statements of Town of Colonial Beach, Virginia for the year ended June 30, 2019, 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 controls of the Town.

However, during our audit, we noted certain matters that are opportunities for strengthening internal controls and operating efficiencies. Said matters are not deemed to be material weaknesses or significant deficiencies in internal control. Further, this letter does not affect our report dated February 21, 2020 on the financial statements of Town of Colonial Beach, Virginia.

We have already discussed these recommendations with appropriate members of management and we will review the status of these comments during our next audit engagement.

Council Minutes

We noted that the minutes for Council meetings are experiencing lag time during the year. We recommend that the minutes be published on a more frequent basis.

Management's Response: The Town hired an assistant Town Clerk in December 2019 to help get Minutes up to date. There is currently a three-month lag in Minutes being produced, but it is expected to be caught up by May 2020.

Customer Accounts for Utilities

From performing a walkthrough of the utilities process, it is apparent that utility account balances can be adjusted without any documented approval. We recommend that documentation be maintained to support all adjustments to any customer utility account balances. Additionally, these adjustments need to be approved by a member of management on at least a monthly basis.

Management's Response: We will create documentation with an explanation of why the adjustment is being made. We will create an adjustment batch file that will be reviewed monthly.

Emergency Purchases

In December 2019, the Town made an emergency of a 2017 Ford F-350 for \$46,161.29. However, there was no documented Town Council approval of the transaction. We recommend that in instances where an emergency purchase is made, that Town Council approval is noted within the approved Town Council minutes.

Management's Response: The Town will ensure that Town Council approval is documented for future emergency procurements.