



**CITY OF  
HOPEWELL**  
Hopewell, Virginia 23860

**AGENDA**

(804) 541-2408

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**CITY COUNCIL**

Patience A. Bennett, Mayor, Ward #7  
John B. Partin, Jr., Vice Mayor, Ward #3  
Deborah B. Randolph, Councilor, Ward #1  
Arlene Holloway, Councilor, Ward #2  
Jasmine E. Gore, Councilor, Ward #4  
Janice B. Denton, Councilor, Ward #5  
Brenda S. Pelham, Councilor, Ward #6

John M. Altman, Jr., City Manager  
Sandra R. Robinson, City Attorney  
Mollie P. Bess, Acting City Clerk

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**October 7, 2021**

**CITY COUNCIL SPECIAL  
MEETING**

**Special Meeting: 7:30 PM**

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**7:30 p.m.** Call to order, roll call, and welcome to visitors

CLOSED MEETING

SUGGESTED MOTION: Move to go into closed meeting pursuant to Va. Code Sections 2.2-371 1 (A)(1) for the purpose of discussing the City Attorney Recruitment and considering, and/or taking action on or to related to personnel matters, including the performance and assignment of city officials.

Roll Call

CERTIFICATION

CERTIFICATION PURSUANT TO VIRGINIA CODE 2.2-3712 Were only public business matters (1) lawfully exempted from open-meeting requirements and (2) identified in the closed-meeting motion discussed in closed meeting.

Roll Call

REGULAR MEETING

**Call to order, roll call and welcome to visitors**

**ROLL CALL**

REGULAR BUSINESS

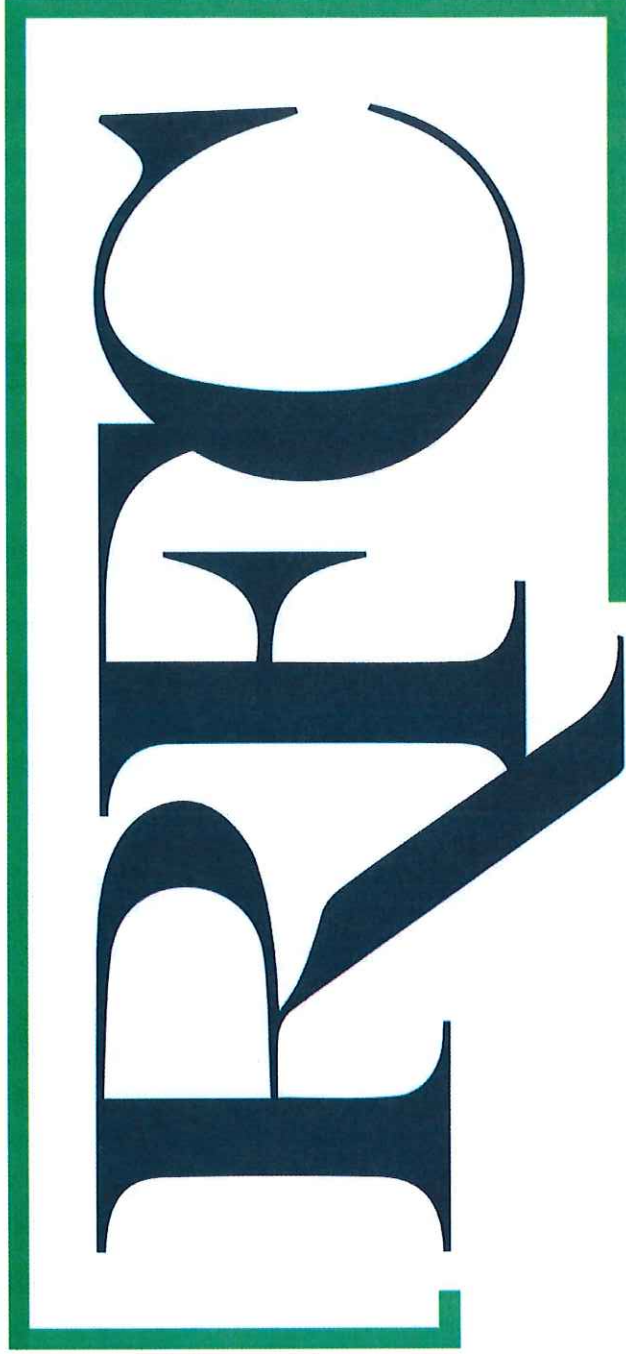
**R-1 – 2018 City Audit**

**MOTION:** \_\_\_\_\_

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**ROLL CALL**

ADJOURNMENT



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FY 2018 AUDIT  
PRESENTATION

CITY OF HOPEWELL, VIRGINIA

# OVERVIEW

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- Introduction
- Scope of Work
- Required Communications
- Audit Results

# INTRODUCTION

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David E. Foley, CPA – Partner-in-Charge

- Partner with Robinson Farmer Cox Associates and in our Charlottesville Office
- Background: Over 20 years' experience managing and participating in local government audit engagements.
- Audit duties: had the overall responsibility for the coordination and staffing of the audit and was responsible for day-to-day fieldwork to be performed during the audit. I was onsite for the fieldwork and supervised staff accountants assigned to the audit.

# INTRODUCTION

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## Robinson, Farmer, Cox Associates Firm Background

- Serving local governments since 1953
  - Approximately 75% of practice devoted to local governments and authorities, boards and commissions in the Commonwealth.
- Six office locations: Blacksburg, Charlottesville, Fredericksburg, Louisa, Richmond, and Staunton
- Approximately 95 professionals and support staff dedicated to Governmental Auditing
- Over 100,000 governmental audit hours logged each year

# SCOPE OF WORK

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- Audit of the Annual Comprehensive Financial Report
- Report on internal control over financial reporting and on compliance in accordance with Government Auditing Standards

# REQUIRED COMMUNICATIONS

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## Significant Accounting Policies

- Management is responsible for the selection and use of appropriate accounting policies.
- The significant accounting policies used by the City of Hopewell, Virginia are described in Note 1 to the financial statements.
- This City adopted new accounting guidance, GASB Statement Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- The financial statement disclosures are neutral, consistent, and clear.

## Significant Estimates

- Depreciable lives of capital assets
- Net Pension Liability
- Net OPEB Liability



# REQUIRED COMMUNICATIONS

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## Difficulties Encountered in Performing the Audit

- We encountered no significant difficulties in dealing with management in performing and completing our audit.

## Corrected and Uncorrected Misstatements

- There were no uncorrected misstatements reported.

## Disagreements with Management

- We did not have any disagreement with management in terms of accounting treatments nor audit procedures performed.

## Consultation with Other Accountants

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and other matters.

# AUDIT RESULTS

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- Independent Auditors' Report
  - Disclaimer of opinion
    - We were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
    - Accordingly, we do not express opinions on the financial statements.
  - Basis for Disclaimer of Opinions on the financial statements
    - Material differences between the Treasurer Office's June bank reconciliation and the City and School Board's adjusted general ledger and financial statements.
    - The City, Treasurer's Office and School Board were unable to provide sufficient appropriate audit evidence for the material discrepancies in cash transactions.
    - Cash transactions have a significant impact on all other elements of the financial statements.
    - The City and staff of the Hopewell Regional Wastewater Treatment Facilities were not able to provide sufficient appropriate audit evidence for multiple elements of the HRWTF's financial statements including accounts receivable, refund credits payable and charges for services.
    - The City was not able to provide sufficient appropriate audit evidence for multiple elements for the Sewer Service, Solid Waste and Storm Water funds including accounts receivable and charges for services.

# AUDIT RESULTS

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- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
  - We identified certain deficiencies in internal control that we consider to be material weaknesses.
  - A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.
  - These are Reported in Finding 2018-01

# AUDIT RESULTS

- Findings
  - Overarching theme is reconciliations
    - Reconciliations include:
      - Reconciling banks statements to the general ledger to ensure all transactions have been recorded and balances are accurate.
      - Making sure all deposits and other credits and checks and other debits have been recorded in the general ledger
      - Identifying errors that have been made in the general ledger (i.e. Deposits recorded twice, etc.)
    - Reconciling subsidiary ledgers to the general ledger (i.e. Utility Accounts Receivable, Taxes Receivable, etc.)
    - Reconciling the School Board financials with the City and Treasurer's Office to ensure they agree.
    - Reconciling grant revenues with grant expenditures
    - Reconciliations should be done on a timely basis and done at least monthly
  - Adequate monthly review of financial statements.
- Recommendation
  - It is recommended that the City and School Board perform an entity wide internal control risk assessment to develop and implement a corrective action plan to address the internal control deficiencies noted. The risk assessment should be considered in the systemic environment internal control structure, financial processes, personnel and organizational structure.



THANK YOU

YOUR QUESTIONS AND  
COMMENTS ARE WELCOME