



Office of the Town Manager
Christopher E. Martino

Warrenton Town Council

Carter Nevill, Mayor
Heather Sutphin, Ward 1
William Semple, Ward 2
Brett Hamby, Ward 3
James Hartman, Ward 4 Vice Mayor
Jay Heroux, Ward 5
Sean Polster, At Large
Renard Carlos, At Large

STAFF REPORT

Council Meeting Date:	October 11, 2022
Agenda Title:	Request for Accounting Manager Position
Requested Action:	Consider the request for additional staffing for the Finance Department
Department / Agency Lead:	Finance Department
Staff Lead:	Stephanie Miller, Director

EXECUTIVE SUMMARY

The Finance Department requests that Council consider the addition of an Accountant position. This position would be responsible for the following tasks that are currently handled by the Finance Director:

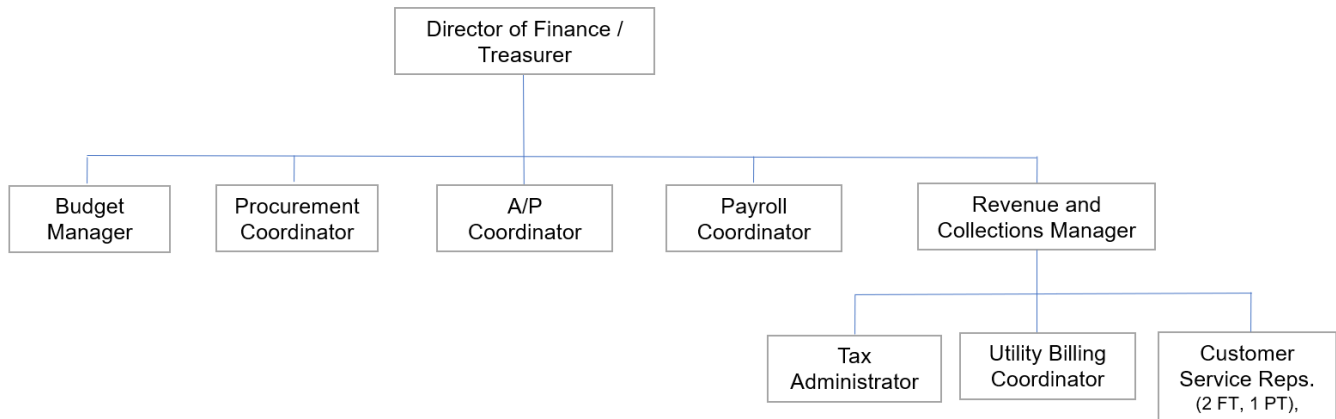
- Bank reconciliation review and approval
- Journal entries – preparation of more complicated annual entries and review of entries provided by other staff
- Monthly general ledger close
- Preparation of quarterly financial reports for Council
- Audit preparation
- ACFR statistical schedule preparation
- Final approval of weekly accounts payable and bi-weekly payroll
- Reconciliation of balance sheet accounts
- Assist with implementation of new accounting standards

Our external auditors have noted that Towns of our size typically have an Accounting Manager position separate from the Director's role to perform the functions listed above. Staff has compiled finance department staffing levels from our benchmark jurisdictions. The spreadsheet is attached to the agenda item for reference. Our population size is closest to the Town of Purcellville. Purcellville has an Accounting Manager, which is the position requested here.

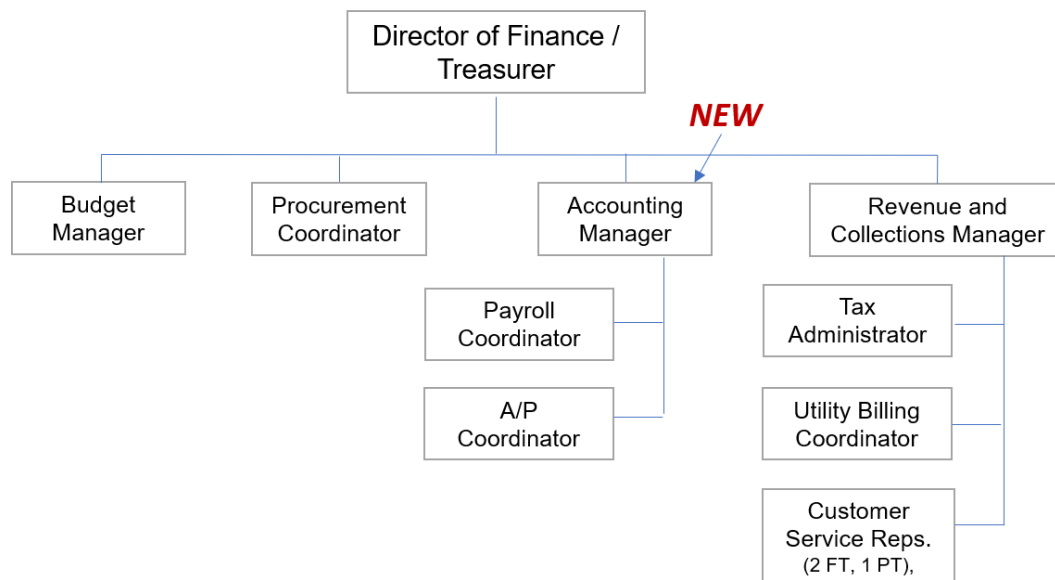
Beginning with the FY 2023 budget, the task of assembling the Capital Improvement Program and Capital Asset Replacement Plan was transferred from Community Development to the Finance Department. The CIP, CARP and operating budgets are prepared concurrently, and this is a large task for one person to assume. An Accounting Manager will be able to provide support in the preparation of this important annual requirement after the annual audit is complete.

This position will also support succession planning by providing professional coverage in the three primary focus areas of the department: Revenue and Collections, Accounting and Financial Reporting, and Budget and Procurement.

The current organizational chart is shown below:



The proposed structure after the addition of this position would be:



BACKGROUND

The Town's auditors provide a Management Letter to the Council each year in conjunction with their audit opinion and the presentation of the Annual Comprehensive Financial Report. This letter serves as a communication tool for the auditors to convey any suggestions for improvement that they noted during the annual external audit. Since 2019, this letter has included a suggestion that bank reconciliations should be completed in a more timely manner. With limited professional

staffing, this has been difficult for the Finance Department to achieve. Ensuring proper internal controls and timely reconciliations is the primary driver of this request.

STAFF RECOMMENDATION

Staff requests that Council consider this addition to the staffing of the Finance Department to provide support for ongoing accounting needs and the annual external audit.

Service Level / Policy Impact

- Code of Virginia §15.2-2511 requires that the Town have an annual external audit and that our auditors present their findings and the results of the annual comprehensive financial report (ACFR) to the Council by December 31st each year. The ACFR and a transmittal file must be submitted to the Virginia Auditor of Public Accounts no later than November 30th each year.
- State and Federal funding trigger additional audit and compliance requirements. While the influx of Covid-19 related funding may be temporary, the Town will likely continue to pursue grant funding to support the implementation of Council's vision and goals, as quantified in the Comprehensive Plan and the Capital Improvement Program.
- The Town's Comprehensive Fiscal Policies, adopted by Council in September 2021, include a policy on internal controls. The addition of this position will assist the department in preparing timely bank reconciliations to address and resolve the internal control concern identified by the independent auditors in the management letter.

Fiscal Impact

The proposed salary range for this position is \$74,171 - \$118,673.

For FY 2023, this will be a mid-year hire, which would necessitate a budget amendment in the amount of \$62,995 to cover salary and benefits. The annual estimate for salary and benefits is \$125,991.

The current General Fund Unassigned Fund Balance is \$9,410,382, which meets the adopted fund balance policy and provides \$1,303,840 available for appropriation. Additionally, the FY23 budget projected Meals Tax revenue at \$4.5 million. Updated projections based on year-to-date actuals estimate that the amount collected will be over \$5 million.

Legal Impact

There is no legal impact associated with the position request.

ATTACHMENTS

1. Staffing Comparison of Benchmarks