



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 30, 2018

Paul Freiling
Mayor
401 Lafayette Ave.
Williamsburg, VA 23185

City of Williamsburg

Dear Mr. Freiling:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, and Sheriff of the locality indicated for the year ended June 30, 2018. Our primary objectives were to determine that the officials have maintained accountability over Commonwealth collections, established internal controls, and complied with state laws and regulations.

The results of our tests found the Treasurer, Commissioner of the Revenue, and Sheriff complied, in all material respects, with state laws, regulations and other procedures relating to the receipt, disbursement, and custody of state funds, except as follows.

The Treasurer did not comply with state laws and regulations as described below.

Properly Update and Calculate Interest

Repeat: No

The Treasurer did not use the updated interest rate for income taxes when the rate increased from six to seven percent in April 2018. While the financial impact of this condition was negligible, the Treasurer should have a procedure in place to ensure that the correct interest rate is used as those updates occur to ensure interest on state income tax is calculated appropriately. The Treasurer should immediately implement procedures, such as reviewing the quarterly on-line Tax Bulletins, to ensure the correct interest rates are promptly used whenever the Department of Taxation changes them.

We discussed this comment with the Treasurer on August 29, 2018 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM:vks

cc: Andrew O. Trivette, Interim City Manager
Jennifer Tomes, Treasurer
Lara M. S. Overy, Commissioner of the Revenue
Robert J. Deeds, Sheriff