



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 23, 2023

Robert L. Bailey
Treasurer

Mitchell W. Nuckles
Commissioner of the Revenue

Donald T. Sloan
Sheriff

Bethany A. S. Harrison
Commonwealth's Attorney

Locality: City of Lynchburg

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, Sheriff, and Commonwealth's Attorney of the locality indicated for the year ended June 30, 2023. 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. We limited our work to the collection of Commonwealth revenues. Local governments hire certified public accountants to audit all other financial activities of the locality and these firms issue separate reports on the results of their audits.

The results of our tests found the Treasurer, Commissioner of the Revenue, Sheriff, and Commonwealth's Attorney 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 Sheriff did not maintain sufficient internal control over state funds or comply with state laws and regulations as described below.

Remit Collections Timely

Repeat: No

The Sheriff did not remit collections to the Treasurer timely. We noted delays of up to ten days in two of 12 remittances tested (17%). Section 15.2-1609.3 of the Code of Virginia requires sheriffs to remit

collections on or before the tenth of the month succeeding that in which the fees were collected. The Sheriff should remit all collections to the Treasurer within the time frame prescribed by statute.

Properly Record Sheriff's Fees

Repeat: No

The Sheriff did not record two of 15 manual receipts issued during the audit period in the automated accounting system. Those fees, totaling \$24, were not remitted to the local Treasurer because only fees recorded in the automated system are included in the Sheriff's monthly remittance. The Sheriff should record all manual activity in the automated system timely and remit funds to the local Treasurer as required.

Promptly Deposit Sheriff's Fees

Repeat: No

The Sheriff did not promptly deposit funds into an official bank account. We noted delayed deposits in three of 18 receipts tested (17%). Having cash or checks on hand is a risk that could lead to a loss of funds. The Sheriff should follow the best practices outlined in the Virginia Sheriff's Accounting Manual, which recommends the Sheriff deposit all collections in the Sheriff's official bank account either weekly or when collections exceed \$200.

We discussed these findings with the Sheriff on August 10, 2023, and we acknowledge the cooperation extended to us during this review.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

LJH:vks

cc: Stephanie Reed, Mayor
Wynter C. Benda, City Manager
Chris Banta, Partner
Brown, Edwards & Company, LLP