



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 12, 2017

William D. Sessoms, Jr.
Mayor
City Hall Bldg #1
2401 Courthouse Drive
Virginia Beach, VA 23456

City of Virginia Beach

Dear Mr. Sessoms:

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, 2017. 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.

Remit Excess Collection Fees

The Treasurer did not remit to the Commonwealth its portion of the excess fees, totaling \$255,371, from the in-house collection program for Fiscal Year 2016. The 2017 Virginia Acts of Assembly (Chapter 836) directs any Treasurer collecting delinquent fines and costs on a contingency fee basis to divide collection fees in excess of collection expenses between the locality and the Commonwealth.

The Treasurer should immediately remit \$255,371 to the Commonwealth. Further, the Treasurer should implement review procedures to ensure the correct amount of excess fees are calculated and remitted annually. We understand the Treasurer does not agree that he is required to remit the Commonwealth's portion to the Commonwealth. The Treasurer should seek a formal opinion from the Attorney General to support his interpretation if he chooses not to remit the \$255,371 that we believe is due.

Mayor
William D. Sessoms, Jr.
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We discussed this comment with the Treasurer on September 12, 2017 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM:alh

cc: Dave L. Hansen, City Manager
John T. Atkinson, Treasurer
Philip J. Kellam, Commissioner of the Revenue
Kenneth Stolle, Sheriff
Mark Herring, Attorney General