



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 27, 2022

Alonzo Jones
Mayor
City of Danville

Dear Mr. Jones:

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, 2022. 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, 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 Treasurer and Commissioner of the Revenue did not comply with state laws and regulations as described below.

Properly Update and Calculate Interest

Repeat: No

The Treasurer and Commissioner of the Revenue were unaware that the vendor of the automated financial system did not update the interest rate for state income taxes in the system when the rate increased from five to six percent in April 2022. While the financial impact of this condition was negligible, the Treasurer and Commissioner of the Revenue should have a procedure in place to ensure that the interest rate in the system is correct so that interest on state income tax is properly calculated.

The Treasurer and Commissioner of the Revenue should immediately implement procedures, such as reviewing the quarterly on-line Tax Bulletins for interest rate changes and verifying that the automated system's vendor updates the system promptly with the correct interest rate whenever the Department of Taxation changes the interest rates.

Alonzo Jones, Mayor

July 27, 2022

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The Sheriff did not maintain sufficient internal control over state funds as described below.

Promptly Deposit Sheriff's Fees

Repeat: No

The Sheriff did not promptly deposit funds into an official bank account. In two months out of four tested, the Sheriff held collections for up to 17 days before making deposits. 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 July 25, 2022, and with the Treasurer and Commissioner of the Revenue on July 26, 2022, and we acknowledge the cooperation extended to us during this review.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

LJH: clj

cc: Ken Larking, City Manager
Sheila Williamson-Branch, Treasurer
James M. Gillie, Commissioner of the Revenue
Michael S. Mondul, Sheriff
Michael Newman, Commonwealth's Attorney