



# Commonwealth of Virginia

## *Auditor of Public Accounts*

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

December 9, 2011

Richard Baugh  
Mayor  
345 S. Main St.  
Harrisonburg, VA 22801

City of Harrisonburg

Dear Mr. Baugh:

We have reviewed the Commonwealth collections and remittances of the Treasurer and Commissioner of the Revenue of the locality indicated for the year ended June 30, 2011. 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 and Commissioner of the Revenue 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 maintain sufficient internal control over state funds as described below.

### Improve Controls and Accountability

The Treasurer does not immediately record state tax payments in the automated system. Instead the Treasurer places these payments in the vault and enters the payments into the automated system at the end of the day. There is no verification that the Treasurer records or deposits all payments received. Immediately upon receiving tax payments, the Treasurer should enter the tax payments into his automated system and restrictively endorse all checks "For Deposit Only." This will decrease the likelihood of receipts being misplaced or lost.

We discussed this comment with the Treasurer on December 12, 2011 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: Kurt Hodgen, City Manager  
Jeffrey L. Shafer, Treasurer  
June W. Hosaflook, Commissioner of the Revenue