



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 21, 2020

Kenneth Cooper Alexander
Mayor
City of Norfolk

Dear Mr. Alexander:

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, 2020. 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 Commissioner of Revenue did not comply with state laws and regulations as described below.

Promptly Remit State Tax Payments

Repeat: No

The Commissioner's office is required by § 58.1-307 of the Code of Virginia to remit state income tax payments to the local Treasurer within two days of receipt. When the Commissioner put rotating staff schedules in place due to the pandemic, not enough staff had been trained to ensure compliance. As a result, we noted four of eight payments tested were not remitted to the Treasurer for up to four days. The Commissioner should remit state income tax payments as required by the Code of Virginia and consider back up training to ensure critical operations are not compromised when extraordinary situations arise.

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

Kenneth Cooper Alexander, Mayor
October 21, 2020
Page Two

Promptly Remit State Tax Payments

Repeat: No

The Treasurer's office is required by §2.2-806 of the Code of Virginia to remit state income tax payments to the Commonwealth within one banking day of receipt. When rotating staff schedules were put in place due to the pandemic, there was not enough staff trained to ensure compliance. We noted two delayed payments out of eight tested and two weeks with only one remittance. The Treasurer should remit state income tax payments as required by the Code of Virginia and consider back up training to ensure critical operations are not compromised when extraordinary situations arise.

We discussed these comments with the Commissioner of Revenue and the Treasurer on October 21, 2020 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Martha S. Mavredes
Auditor of Public Accounts

MSM: clj

cc: Larry Filer, PhD, City Manager
Daun Hester, Treasurer
C. Evans Poston, Jr., Commissioner of the Revenue
Joe Baron, Sheriff