



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 5, 2018

David Tarter
Mayor
300 Park Ave
3rd Floor, East Wing
Falls Church, VA 22046

City of Falls Church

Dear Mr. Tarter:

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, 2018. 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 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 maintain sufficient internal control over state funds and comply with state laws and regulations as described below.

Perform Monthly Reconciliations

Repeat: No

The Treasurer did not perform complete and adequate monthly reconciliations of sheriff fee collections to the Commonwealth accounting system. The Treasurer misclassified Regional Transient Occupancy Tax as sheriff fees, resulting in a remittance of locality funds to the Commonwealth that went undetected for eight months. Proper and complete monthly reconciliations are a significant internal control and are essential for determining the reliability of financial information and the proper disposition of funds.

The Treasurer should reconcile sheriff fee collection balances to the Commonwealth's accounting system on a monthly basis as required by Section 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of collections.

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We discussed this comment with the Treasurer on October 12, 2018 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM:vks

cc: F. Wyatt Shields, City Manager
Jody Acosta, Treasurer
Thomas D. Clinton, Commissioner of the Revenue
Stephen Bittle, Sheriff