



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 11, 2020

Sherman P. Lea, Sr.
Mayor

City of Roanoke

Dear Mr. Lea:

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

Properly Remit Sheriff's Fees

Repeat: No

The Treasurer did not remit the correct amount of Sheriff's fees to the Commonwealth during the audit period as required by § 15.2-1609.3 of the Code of Virginia. This resulted in the Treasurer not remitting \$250 to the Commonwealth. The Treasurer should remit this amount during fiscal year 2021 and ensure proper accounting for Sheriff's fees in the future, as this will ensure compliance with Code of Virginia requirements.

Improve Internal Controls Over Manual Receipts

Repeat: No

The Treasurer did not properly secure and manage manual receipts. We noted that one manual receipt book could not be located for the audit and there is no supervisory review of used receipts to ensure completeness and sequential issuing. In addition, the Treasurer does not maintain a log of manual receipts books.

Sherman P. Lea, Sr., Mayor
August 11, 2020
Page Two

The Treasurer should establish proper procedures to improve internal controls relating to manual receipts. These procedures should include properly securing receipts, requiring timely supervisory review of manual receipt activity, and maintaining a log for tracking manual receipt books.

Perform Monthly Reconciliations

Repeat: No

The Treasurer did not perform adequate monthly reconciliations of the accounting records to the Commonwealth's accounting and financial reporting system reports. Complete monthly reconciliations are a significant internal control and are essential for determining the reliability of information.

The Treasurer should reconcile assessments, collections, and uncollected balances to the Commonwealth's reports on a monthly basis as required by § 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of tax assessments and collections.

We discussed this comment with the Treasurer on August 11, 2020 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Martha S. Mavredes
Auditor of Public Accounts

MSM:vks

cc: Robert Cowell, City Manager
Evelyn W. Powers, Treasurer
Sherman A. Holland, Commissioner of the Revenue
Timothy A. Allen, Sheriff
Donald S. Caldwell, Commonwealth's Attorney