



REPORT ON COLLECTIONS OF COMMONWEALTH REVENUES BY LOCAL CONSTITUTIONAL OFFICERS

FOR THE YEAR ENDED
JUNE 30, 2024

Auditor of Public Accounts
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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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June 4, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

We are pleased to submit the statewide **Report on Collections of Commonwealth Revenues by Local Constitutional Officers** for the fiscal year ended June 30, 2024. The Auditor of Public Accounts annually audits each constitutional officer or director of finance handling state funds to determine that these officials have maintained accountability over Commonwealth collections, established internal controls, and complied with state laws and regulations. This statewide report summarizes the findings we have previously communicated to the individual Sheriffs, Commissioners of the Revenue, Treasurers, and Commonwealth's Attorneys and the respective local governing body upon completing our individual audits. Constitutional officers, excluding Clerks of the Circuit Courts, collected \$62,697,798 in Commonwealth revenues for fiscal year 2024, as detailed in the [Appendix](#) accompanying this report. The collections have decreased statewide over the last several years due in large part to fewer localities electing to collect state income and estimated taxes and more taxpayers remitting payment directly to the Virginia Department of Taxation. Clerks of the Circuit Courts maintain separate accounting records and we issue separate reports for each Clerk's Office.

We performed audits of constitutional officers in 131 localities, resulting in findings at 27. We have listed the findings by constitutional officer and locality.

We limited our work in local government to the collection of Commonwealth revenues. Local governments hire certified public accountants to audit all other local government financial activities. These firms issue separate reports on the results of their audits.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/clj

INTERNAL CONTROL AND COMPLIANCE FINDINGS

(*indicates a repeat finding)

SHERIFFS

Our audits of Sheriffs focus on state fees for civil process services and commissions from sales of confiscated property. We designed our procedures to ensure Sheriffs have proper internal controls for handling these funds and that the Sheriff remits these funds to the local Treasurer in accordance with the Code of Virginia and the Auditor of Public Accounts' Virginia Sheriff's Accounting Manual. Our fiscal year 2024 audits, which included 122 Sheriffs, resulted in findings at eight localities.

Promptly Deposit Sheriff's Fees

Applicable to: County of Culpeper
County of Essex
County of Grayson
County of Halifax
County of Shenandoah

The Sheriff did not promptly deposit funds into an official bank account or remit them directly to the local Treasurer. 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. If the Sheriff does not have an official bank account established for the deposit of Sheriff's fees, the Sheriff should remit the fees to the local Treasurer weekly, or immediately when collections exceed \$200.

Properly Charge for Sheriff's Fees

Applicable to: County of Greene

The Sheriff did not charge the correct amount for in-state process and service, as set forth in §17.1-272 of the Code of Virginia. The Sheriff should charge process and service fees in accordance with the Code of Virginia.

Remit Sheriff's Fees Timely

Applicable to: County of Essex
County of Halifax
County of Nottoway
City of Danville*

The Sheriff did not remit sheriff's fees to the Treasurer timely. Section 15.2-1609.3 of the Code of Virginia requires sheriffs to remit sheriff's fees on or before the tenth of the month succeeding that in which the fees were collected. The Sheriff should remit all sheriff's fees to the Treasurer within the time frame prescribed by statute.

Review Monthly Bank Reconciliations

Applicable to: County of Essex

The Sheriff does not review the monthly reconciliations of the Sheriff's fee account. Reconciliations are an essential control to ensure the proper accounting of funds and timely correction of errors. Further, a supervisory review is the most effective control to ensure the reconciliation is complete and accurate. The Sheriff or his designee should review the bank reconciliation monthly.

COMMISSIONERS OF THE REVENUE

Our audits of Commissioners of the Revenue (Commissioners) focus on ensuring the Commissioners have proper internal controls around the collection and handling of state estimated and individual income tax collections, including the calculation of penalty and interest, and that they are remitting these funds to the local Treasurer in accordance with the Code of Virginia requirements. Our fiscal year 2024 audits, which included 108 Commissioners, resulted in findings at four localities.

Report Assessments Timely

Applicable to: County of Buchanan
County of Grayson
County of Smyth
County of Wythe

The Commissioner did not report state income tax assessments to the Virginia Department of Taxation (Taxation) timely. Commissioners who process state income tax returns must report to Taxation the total amount of tax to be assessed each month by the tenth of the following month. The Commissioner should promptly report state income tax assessments to Taxation in accordance with Taxation's instructions for form 759-C, the Monthly Summary of Individual and Fiduciary Income Taxes to be Assessed.

TREASURERS

State income handled by local Treasurers may include estimated and individual state income tax; penalty and interest on taxes; certain transient occupancy taxes; Sheriff's fees received from the locality's Sheriff, courts, and the Worker's Compensation Commission; and excess collection fees from the Commonwealth's Attorney in-house collection program. Our audit procedures focus on ensuring the Treasurers maintain proper internal controls in handling these funds and that they remit these collections to the Commonwealth in accordance with the Code of Virginia requirements. Our fiscal year 2024 audits, which included 131 Treasurers, resulted in findings at 16 localities.

Perform Monthly Reconciliations

Applicable to: County of Albemarle
County of Bedford
County of Isle of Wight
County of Scott
County of Washington
County of Wythe
City of Fredericksburg
City of Petersburg

The Treasurer, or Chief Financial Officer in the case of the County of Albemarle, did not either reconcile, properly reconcile, or promptly reconcile the locality's internal financial system reports to the Commonwealth's accounting and financial reporting system. Proper 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 per the locality's financial system to the Commonwealth's reports monthly as required by § 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper reconciliation procedures will ensure complete and accurate recording of tax assessments and collections and compliance with the Code of Virginia remittance requirements.

Promptly Record Manual Transactions

Applicable to: County of Isle of Wight

The Treasurer did not promptly record manual receipts in the financial accounting system. The Treasurer should record manual transactions in the financial accounting system as soon as possible after the transaction occurs to better safeguard funds collected and ensure all transactions are properly recorded.

Promptly Remit Excess Collection Fees

Applicable to: City of Salem

The Treasurer did not remit the state's portion of excess collection fees to the Commonwealth promptly. The Commonwealth's Attorney completed an amended calculation of the fees from the in-house collection program for fiscal year 2022 and notified the Treasurer of the amount to remit; however, the Treasurer did not remit the state's portion of excess collection fees to the Commonwealth promptly. The Treasurer should remit the state's portion of excess collection fees from the in-house collection program each year immediately after the amount of the Commonwealth's portion has been determined.

Promptly Remit State Collections

Applicable to: County of Albemarle
County of Bedford
County of Halifax
County of Isle of Wight
County of Scott
County of Warren
County of Wythe
City of Norfolk
City of Petersburg

The Treasurer, or Chief Financial Officer in the case of the County of Albemarle, did not remit state collections timely. Section 2.2-806 of the Code of Virginia requires Treasurers to deposit state income tax payments within one banking day of receipt and remit Sheriff's fees weekly or twice each week when collections exceed \$5,000. The Treasurer should deposit state collections in accordance with the Code of Virginia.

Properly Remit Sheriff's Fees

Applicable to: County of James City*
County of Middlesex
County of Nelson
County of Scott*
City of Fredericksburg
City of Williamsburg

The Treasurer did not retain the correct amount of Sheriff's fees due to the locality during the audit period as required by § 15.2-1609.3 of the Code of Virginia. The Treasurer should make the necessary adjustments to fiscal year 2025 remittances and ensure proper accounting for Sheriff's fees in the future, as this will ensure compliance with the Code of Virginia requirements.

COMMONWEALTH'S ATTORNEYS

When the Commonwealth's Attorney in a locality uses an in-house collection program for the collection of delinquent court fines and costs, excess fees from the program are split evenly between the locality and the Commonwealth. Our audits of Commonwealth's Attorneys focus on these excess fees and whether the Commonwealth's Attorney is properly calculating collection fees, claiming appropriate expenses for the program, and properly calculating and reporting the excess fees to both the local and state Treasurers. Our fiscal year 2024 audits, which included 15 Commonwealth's Attorneys, resulted in findings at two localities.

Properly Calculate and Remit Excess Collection Fees

Applicable to: County of Rockingham

The Commonwealth's Attorney advised the Treasurer to remit less than what was due to the Commonwealth for its portion of the excess fees from the in-house collection program for fiscal year 2023. We recommended the Commonwealth's Attorney notify the Treasurer of the recalculated amount and send an amended fiscal year 2023 Collection of Fines and Fees Report to the Virginia Compensation Board. Going forward, the Commonwealth's Attorney should implement review procedures to ensure the accurate calculation and remittance of excess fees annually.

Pursue Collection of Delinquent Court Fines and Costs

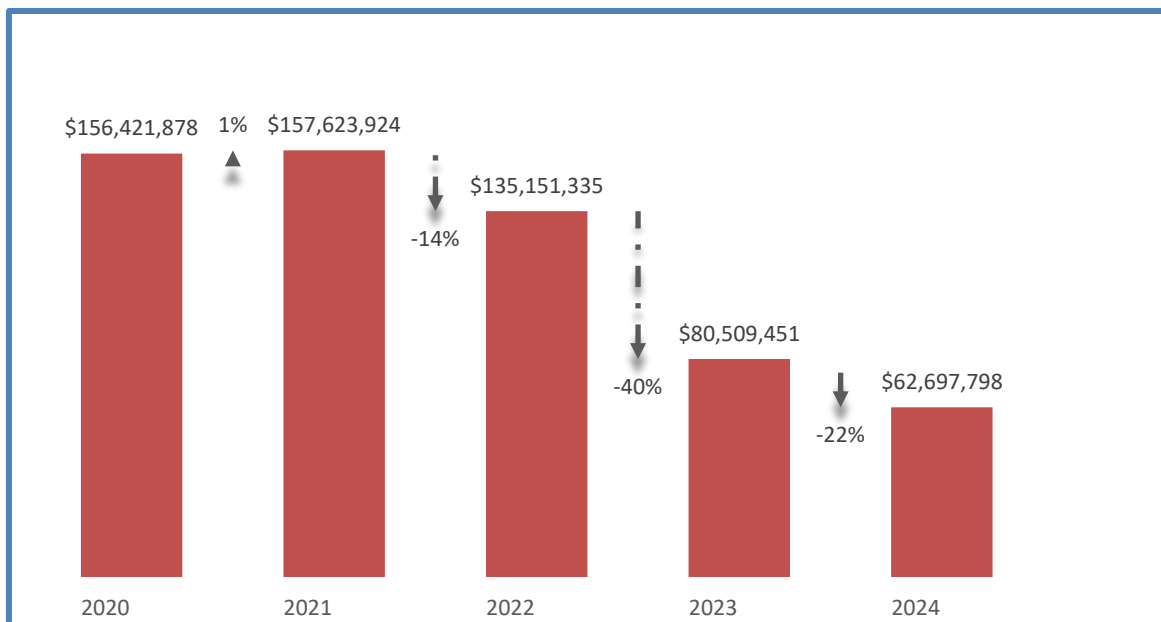
Applicable to: County of Orange

The Commonwealth's Attorney has not been actively pursuing delinquent court fines and costs as required by § 19.2-349 of the Code of Virginia, which requires the Commonwealth's Attorney to pursue delinquent court fines and costs or choose one of four alternative collection options. The collection of court fines and costs is an essential part of the judicial process so that individuals understand their responsibilities when not complying with the laws of Virginia. The Commonwealth's Attorney should begin actively pursuing collection of delinquent court fines and costs or choose one of the four alternative collection options specified in the Code of Virginia.

SUMMARY OF COLLECTIONS OF COMMONWEALTH REVENUES

The table and accompanying chart below summarize the cash collections of Commonwealth revenues by local constitutional officers (excluding circuit court clerks) for the period July 1 to June 30 each year, regardless of the tax year. State income and estimated tax collections at the local level have decreased significantly over the last several years due to fewer localities electing to collect state income and estimated taxes and more taxpayers remitting payment directly to the Virginia Department of Taxation.

Type of Collection	2024	2023	2022	2021	2020
Income taxes ¹	\$ 8,802,320	\$ 8,102,649	\$ 16,666,685	\$ 16,487,356	\$15,884,132
Penalty for non-payment of taxes by due date	13,941	22,889	32,102	36,299	67,336
Interest on delinquent taxes	1,784	1,869	1,961	32,254	7,122
Estimated income taxes ¹	48,527,820	67,541,093	114,385,205	136,642,690	133,259,897
Commonwealth's portion of Sheriff's fees	5,121,744	4,586,285	3,729,731	4,172,022	6,135,587
Commonwealth Attorney's excess collection program fees	230,189	254,667	335,651	253,303	1,067,804
Total	\$62,697,798	\$80,509,452	\$135,151,335	\$157,623,924	\$156,421,878



¹Treasurers process state income taxes separately from estimated taxes. Due to the nature of the tax, the flow of collections for these two taxes is different within the fiscal year period. Local Treasurers generally collect state income taxes between January and December of the year following the given tax year. The taxpayer files their return with the local Commissioner of the Revenue, who is responsible for the assessment of the tax and any applicable penalty and interest. The Treasurer generally collects estimated income taxes beginning in February of the tax year through March of the next year. The taxpayer files the declaration of estimated taxes with the Commissioner of the Revenue and makes the first estimated payment to the Commissioner with the declaration. The taxpayer remits the remaining estimated income tax payments directly to the local Treasurer.