



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

October 15, 2020

Cathy Binder
Board Chairman
County of King George

Dear Ms. Binder:

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 Treasurer did not maintain sufficient internal control over state funds and comply with state laws and regulations as described below.

Promptly Remit, Report, and Reconcile State Collections

Repeat: No

The Treasurer did not remit state funds timely as required by Code of Virginia § 2.2-806. No state tax collections or Sheriff fees were paid to the Commonwealth from February 2, 2020 until August 18, 2020. The funds, totaling \$446,713, were held in the County's operating account.

Additionally, the Treasurer did not certify the Confirmation of Locality Reconciliation for eight months. The Department of Accounts provides monthly reports of taxes assessed and funds remitted to the Commonwealth which the Treasurer must reconcile to his internal accounting records of assessments, collections, and uncollected balances. The Treasurer must certify these reconciliations in accordance with Code of Virginia § 58.1-3168. As of June 30, 2020, these reports show 2019 State Income Tax assessments of \$212,506.39 with no corresponding collections and no collections of 2020 Estimated State Tax Payments, providing evidence of the Treasurer's lack of remittances. The monthly reports remained unreconciled until August 18, 2020.

Cathy Binder, Board Chairman

October 15, 2020

Page Two

As has been noted in the prior two audits, the Treasurer does not submit final uncollected state income tax rolls to the Department of Taxation each year. The timely submission of this information is critical for the collection of delinquent taxes. As of the audit date, the 2018 Uncollected Listing remains unfiled.

The Treasurer should remit state collections in accordance with the Code of Virginia and promptly report state income tax uncollected balances to the Department of Taxation as required. The Treasurer should also reconcile assessments, collections, and uncollected balances to the Commonwealth's reports on a monthly basis and submit correction requests timely. Proper procedures will ensure timely remittance of state funds and complete and accurate recording of tax assessments and collections.

We discussed this comment with the Treasurer on September 29, 2020 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Martha S. Mavredes
Auditor of Public Accounts

MSM: clj

cc: Neiman C. Young, PhD, County Administrator
Randy R. Jones, Treasurer
Judy Hart, Commissioner of the Revenue
Chris Giles, Sheriff