



Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 15, 2023

Betty S. Trovato
Treasurer

David C. Whitesell
Commissioner of the Revenue

Steve Funkhouser
Sheriff

Locality: County of Rockbridge

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, 2023. 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. We limited our work to the collection of Commonwealth revenues. Local governments hire certified public accountants to audit all other financial activities of the locality and these firms issue separate reports on the results of their audits.

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, Commissioner of the Revenue, and Sheriff did not maintain sufficient internal control over state funds or did not comply with state laws and regulations as described below.

Properly Update and Calculate Interest

Repeat: No

The Treasurer and Commissioner of the Revenue did not properly calculate interest on state income taxes for the quarter ending September 2022 because the Treasurer did not update the interest rate in the automated financial system when the rate changed. While the financial impact of this condition was negligible, the Treasurer and Commissioner of the Revenue should have a procedure in place to ensure that the interest rate in the system is correct so that the system will properly calculate interest on state income tax.

Betty S. Trovato, Treasurer
David C. Whitesell, Commissioner of the Revenue
Steve Funkhouser, Sheriff
September 15, 2023
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The Treasurer and Commissioner of the Revenue should immediately implement procedures, such as reviewing the quarterly on-line Tax Bulletins for interest rate changes and the Treasurer should update the system promptly whenever the Department of Taxation changes the interest rates.

Deposit Donations with Treasurer

Repeat: No

The Sheriff did not deposit donations with the local Treasurer as required by § 15.2-1615 of the Code of Virginia. Instead, the Sheriff deposited these collections in a separate bank account. The balance in the account at the end of the audit period was \$4,734. The Sheriff should remit these funds and all future donations to the local Treasurer for deposit on behalf of the applicable program.

We discussed these findings with the Treasurer, Commissioner of the Revenue, and Sheriff on September 15, 2023, and we acknowledge the cooperation extended to us during this review.

Sincerely,

Staci A. Henshaw
Auditor of Public Accounts

LJH:vks

cc: David B. McDaniel, Board Chair
Spencer H. Suter, County Administrator
James W. Kelly, Member
Robinson, Farmer, Cox Associates