



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 10, 2019

Kathy Lawson
Mayor
City of Martinsville

Dear Mrs. Lawson:

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, 2019. 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 comply with state laws and regulations as described below.

Perform Monthly Reconciliations

Repeat: No

The Treasurer did not perform timely and adequate monthly reconciliations of the accounting records to the Commonwealth's accounting and financial reporting system reports. Timely and 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 September 9, 2019 and we acknowledge the cooperation extended to us during this review.

The Commissioner of the Revenue did not comply with state laws and regulations as described below.

Kathy Lawson, Mayor
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Properly Report Assessments

Repeat: No

The Commissioner of the Revenue did not report the 2017 state income tax assessments for February 2018 to the Department of Taxation (TAX) until September 2019. Commissioners of the Revenue who process state income tax returns must report monthly to TAX the total amount of returns and payments they accept and process locally. The Commissioner should promptly report state income tax assessments to TAX as required.

We discussed this comment with the Commissioner of the Revenue on September 10, 2019 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: Leon Towarnicki, City Manager
Cindy Dickerson, Treasurer
Ruth L. Easley, Commissioner of the Revenue
Steve M. Draper, Sheriff