



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

September 27, 2016

William E. Melton  
Board Chairman  
4855 Old Buckingham Road  
Powhatan, VA 23139

County of Powhatan

Dear Mr. Melton:

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, 2016. 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 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.

## **Properly Update and Calculate Interest**

The Treasurer did not update interest information in the automated system for income taxes when the rate increased from five to six percent in April 2016. While the financial impact of this condition was negligible, the Treasurer should have a procedure in place to ensure that the interest rate is updated in the system as those updates occur to ensure interest on state income tax is calculated appropriately. The Treasurer should immediately implement procedures, such as reviewing the quarterly on-line Tax Bulletins, to update the automated system promptly with correct interest rates whenever the Department of Taxation changes the interest rates.

William E. Melton, Board Chairman  
September 27, 2016  
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We discussed this comment with the Treasurer on September 27, 2016 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: Pat Weiler, County Administrator  
Faye G. Barton, Treasurer  
James B. Timberlake, II, Commissioner of Revenue  
Bradford W. Nunnally, Sheriff