


*City of Alexandria, Virginia*

MEMORANDUM

DATE: SEPTEMBER 23, 2022

TO: KENDEL TAYLOR, DIRECTOR OF FINANCE

FROM: ROBERT SNYDER, CHIEF INTERNAL AUDITOR 

SUBJECT: FINANCE - AUDITOR OF PUBLIC ACCOUNTS (APA) REVIEW OF COLLECTION AND REMITTANCE OF SHERIFF’S FEES (FS23-05)

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The Virginia Auditor of Public Accounts (APA) performed an audit of the collection and remittance of Sheriff’s fees and identified that the Director of Finance did not maintain sufficient internal control over state funds. **Specifically, the APA noted delays of up to seven (7) months for collections totaling \$504.00.**

**Background**

Every year the APA performs an audit of the collection and remittance of various fees paid to the Commonwealth. The Alexandria Sheriff’s Office (ASO) receives fees for various civil processes they receive. These fees are deposited with the Treasury Division who then submits the information to the Accounting Division. The Accounting Division is required to remit payment to the Commonwealth when the fund balance exceeds \$12,101.12 within a specified timeline. Any deviation from the timeline results in an audit finding.

**Prior Audit Results**

In the past 10 years the City has received audit findings three (3) times which were directed toward the ASO’s deposit of the funds rather than the Accounting Division’s payment to the Commonwealth. See Table 1 below.

<b>Table 1 Results of Auditor of Public Accounts – Collection and Deposit of Fees</b>		
<b>Fiscal Year</b>	<b>Date Issued</b>	<b>Findings</b>
FY2013	November 15, 2012	Sheriff’s Office multiple conditions
FY2014	November 18, 2013	Sheriff’s Office failed to promptly deposit \$1,505
FY2015	September 17, 2014	No Findings
FY2016	October 7, 2015	No Findings
FY2017	September 21, 2016	No Findings
FY2018	October 18, 2017	No Findings
FY2019	October 15, 2018	Sheriff’s Office failed to promptly deposit \$2,275
FY2020	August 2, 2019	No Findings
FY2021	September 15, 2020	No Findings
FY2022	August 20, 2021	No Findings

**Recent Audit Results**

The APA identified that delays in submission of funds occurred with delays up to seven (7) months with collections totaling \$504. Personnel charged with this responsibility were assigned to the Accounting Division which had been undergoing a period of staff turnover.

**Recommendation**

OIA has reviewed the manual used by Accounting Division staff members and determined that it contains sufficient detail to allow staff members to properly execute their portion of the program. OIA recommended that the Finance Director assess the management and oversight of the Accounting Division to ensure that audit findings are not repeated.

**Department Response**

The Director of Finance concurred with our recommendation and requested that OIA conduct an audit of the Accounting Division to assess compliance with the accounting manual in this area as well as other high-risk areas.

CC: Audit Committee  
James Parajon, City Manager  
Sean Casey, Sheriff



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

August 19, 2022

Justin M. Wilson  
Mayor  
City of Alexandria

Dear Mr. Wilson:

We have reviewed the Commonwealth collections and remittances of the Director of Finance and Sheriff of the locality indicated for the year ended June 30, 2022. 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 Director of Finance 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 Director of Finance did not maintain sufficient internal control over state funds as described below.

### **Promptly Remit Sheriff Fees**

Repeat: No

The Director of Finance did not remit Sheriff's fees to the Commonwealth timely during the audit period. We noted delays of up to seven months for collections totaling \$504. Section 2.2 806(B) of the Code of Virginia requires fees be remitted weekly or twice each week when collections exceed \$5,000. The Treasurer should promptly remit Sheriff's fees as required by the Code of Virginia.

Justin M. Wilson, Mayor  
August 19, 2022  
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We discussed this finding with the Director of Finance on August 19, 2022, and we acknowledge the cooperation extended to us during this review.

Sincerely,

Staci A. Henshaw  
Auditor of Public Accounts

LJH: clj

cc: James F. Parajon, City Manager  
Kendel Taylor, Director of Finance  
Sean Casey, Sheriff



DEPARTMENT OF FINANCE  
P.O. Box 178 – City Hall  
Alexandria, Virginia 22313  
alexandriava.gov

Phone 703.746.3900

Fax 703.838.4987

August 24, 2022

Ms. Pamela Williams  
Senior Auditor, Local Government and Judicial Systems  
Auditor of Public Accounts  
101 North 14<sup>th</sup> Street, 8<sup>th</sup> Floor  
Richmond, VA 23219

Dear Ms. Williams:

Thank you for the opportunity to respond to the finding.

**Finding:**

The Director of Finance delayed sending Sheriff's fees to the Commonwealth. We noted a breakdown in procedures between the Divisions of the Finance Department that resulted in 15 remittances not being reported to the Accounting Division for timely wire to the Commonwealth. Section 2.2 806(B) of the Code of Virginia requires fees be remitted weekly or twice each week when collections exceed \$5,000. The Director of Finance should reconcile their accounting records to the Commonwealth's accounting and financial reporting system reports monthly to ensure all sheriff fees received by finance departments are promptly remitted to the Commonwealth as required by the Code of Virginia.

**Response:**

During the last fiscal year, the City experienced turnover and vacancies in the Accounting and Treasury Divisions, which inadvertently resulted in the untimely processing of the Sheriff's fees.

The City is taking the following corrective action to address this issue:

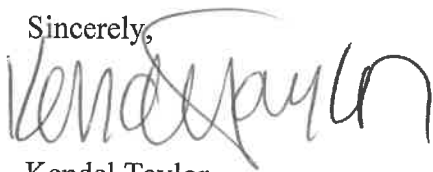
1. A Treasury Manager will remind the Treasury cashiers to immediately email the Accounting Division when they process a Sheriff's fee payment.
2. A second Treasury Manager will review the City's RCS Cash Register and the MUNIS ERP System daily for any Sheriff Fee payment transactions. The Treasury Manager will follow-up with the cashiers to ensure the required memo is sent to the Accounting Division.
3. The General Accounting Manager will also review the MUNIS ERP System daily for any Sheriff's fee payment transactions in addition to reconciling the account on a weekly basis.
4. Twice a month, Treasury Managers will reconcile the City's local deposits in the Commonwealth's Cardinal Accounting System to the City's RCS Cash Register and MUNIS ERP Systems to ensure all payments have been process timely.

August 24, 2022  
Auditor of Public Accounts  
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Staffing shortages have been addressed, and this finding has provided an opportunity for all employees in the Finance Department to review processes and procedures to ensure that turnover does not impact our ability to meet our statutory requirements.

Thank you for your assistance. As you noted in your email, I am also looking forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendel Taylor", written over the word "Sincerely,".

Kendel Taylor  
Director of Finance  
City of Alexandria, Virginia



**TO:** Kendel Taylor, Director of Finance for the City of Alexandria  
**FROM:** Pam Williams, Senior Auditor  
**DATE:** August 19, 2022  
**SUBJECT:** Audit Finding

We have identified certain practices or conditions, which are being considered for inclusion in your audit report. Please review the finding and check the applicable box below. We appreciate your consideration of this issue.

**Promptly Remit Sheriff Fees**

Repeat: No

The Director of Finance delayed sending Sheriff's fees to the Commonwealth. We noted a breakdown in procedures between Finance departments that resulted in 15 remittances not being reported to the accounting department for timely wires to the Commonwealth. Section 2.2 806(B) of the Code of Virginia requires fees be remitted weekly or twice each week when collections exceed \$5,000. The Director of Finance should reconcile their accounting records to the Commonwealth's accounting and financial reporting system reports monthly to ensure all sheriff fees receipted by finance departments are promptly remitted to the Commonwealth as required by the Code of Virginia.

I acknowledge receipt of the above finding.

The draft audit report will be e-mailed.

Kendel Taylor / Dir. of Finance 8-24-2022  
 Signature/Title/Date Email Address

kendel.taylor@alexandriava.gov