



Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

October 24, 2006

John W. Bledsoe, Chairman
Board of Supervisors
Route 4 Box 4830
Jonesville, VA 24263

Dear Mr. Bledsoe:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, and Sheriff of the County of Lee for the year ended June 30, 2006. 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 constitutional officers 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 Sheriff and Treasurer did not maintain sufficient internal control over state funds as described below.

Properly Manage Sheriff's Fees

The Sheriff does not issue a receipt for funds collected by his office. The Sheriff should follow the accounting practices for civil fees as outlined in The Virginia Sheriff's Accounting Manual, page 11-4 which states "Prepare an official pre-numbered receipt for all funds collected by the Sheriff and his employees".

In addition, the Sheriff delayed remitting sheriff's fees to the County Treasurer. The Sheriff should remit his fees no less than weekly to the County Treasurer since he does not have an official bank account. This helps to ensure the safeguarding of state and local funds.

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Reconcile State Taxes to Commonwealth Reports

The Treasurer did not reconcile state income tax assessments to the state's Commonwealth Accounting and Reporting System (CARS). The Department of Accounts sends Treasurers monthly reports summarizing assessments, collections, and uncollected balances. The Treasurer should reconcile assessments to the CARS reports monthly to ensure complete and accurate recording of state tax assessments and collections in the county's general ledger.

We discussed these comments with the Sheriff on October 20, 2006, and Treasurer on October 6, 2006, and we acknowledge the cooperation extended to us during this audit.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: D. Dane Poe, County Administrator
Ikey J. Chadwell, Treasurer
Tommy D. Livesay, Commissioner of the Revenue
Gary B. Parsons, Sheriff