



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 26, 2018

David Redwine
Board Chairman
336 Water Street
Gate City, VA 24251

County of Scott

Dear Mr. Redwine:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, Sheriff, and Commonwealth's Attorney of the locality indicated for the year ended June 30, 2018. 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, Sheriff, and Commonwealth's Attorney 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 maintain sufficient internal control over state funds as described below.

Properly Remit Sheriff's Fees

Repeat: No

The Treasurer did not retain the correct amount of Sheriff's fees due to the locality during the audit period as required by § 15.2-1609.3 of the Code of Virginia. This resulted in the Treasurer not remitting fees of \$308 to the Commonwealth. The Treasurer should remit this amount during fiscal year 2019 and ensure proper accounting for Sheriff's fees in the future, as this will ensure compliance with Code of Virginia requirements.

David Redwine, Board Chairman
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Properly Update Interest Rate

Repeat: No

The Treasurer did not update interest information in the automated system for income taxes when the rate changed in April 2018. 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.

We discussed these comments with the Treasurer on July 26, 2018 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: Freda Starnes, County Administrator
Mitzi Johnson Owens, Treasurer
Debbie C. Dockery, Commissioner of Revenue
W. John Puckett, Sheriff
Dan Fellhauer, Interim Commonwealth's Attorney
Ron Bostic