



# Commonwealth of Virginia

## *Auditor of Public Accounts*

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

November 7, 2012

Thomas E. West  
Board Chairman  
3035 Armistead Rd.  
Nathalie, VA 24577

County of Halifax

Dear Mr. West:

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, 2012. 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 Sheriff did not maintain sufficient internal control over state funds.

### Improve Management over Collections

The Sheriff does not have adequate internal controls over the civil process and local fees, and donations. Specifically, we noted the following weaknesses.

- The Sheriff did not deposit Project Lifesaver program collections with the local Treasurer as required by Section 15.2-1615 of the Code of Virginia. Instead the Sheriff deposited these collections in a separate bank account. The balance in the account at the time of the audit was \$24,883.
- The Sheriff did not deposit copy fees for insurance reports, commissions from vendor sales, and donations with the local Treasurer as required by Section 15.2-1615 of the Code of Virginia. Instead, the Sheriff deposited the fees into his petty cash bank account.
- The Sheriff did not reconcile his bank account monthly. Reconciliations are an essential internal control to ensure the proper accounting for funds and timely correction of errors. Further, a supervisory review is the most effective control to ensure the reconciliation is complete and done properly. The Sheriff should ensure the bank account is reconciled and the reconciliation reviewed monthly.
- The Sheriff delays depositing civil process fees up to two weeks after receiving the collections. The Sheriff should follow the accounting best practice for fees as outlined in the Virginia Sheriff's Accounting Manual, which recommends the Sheriff deposit all civil process fees at least weekly or daily when collections exceed \$200.

We recommend the Sheriff establish proper procedures to include sending all local fees and donations including money for Project Lifesaver to the local Treasurer daily and closing the Project Lifesaver bank account. The Sheriff should prepare monthly bank reconciliations for the civil process bank account. The Sheriff should deposit civil process fees at least weekly into the civil bank account or daily when collections exceed \$200.

We discussed this comment with the Sheriff on November 7, 2012 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK: clj

cc: James M. Halasz, County Administrator  
Linda S. Foster, Treasurer  
Brenda Powell, Commissioner of the Revenue  
Fred S. Clark, Sheriff