



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

December 9, 2015

Douglas V. Bowman  
Chairman  
3200 Gann Avenue  
South Boston, VA 24592

County of Halifax

Dear Mr. Bowman:

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, 2015. 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 Treasurer did not maintain sufficient internal control over state funds and comply with state laws and regulations as described below.

## **Remit Funds Timely**

The Treasurer has not implemented sufficient procedures to ensure compliance with applicable laws. Section 2.2-806 of the Code of Virginia requires Treasurers to maintain a record of the date funds received; and deposit all state income tax payments into an account of the state treasury within one banking day of receipt, and all other collections weekly. The Treasurer dates transmittal forms as of the processing date rather than the received date and tax remittances to the state are made approximately every three business days. Additionally, Sheriff Fees of \$1,075 were remitted two weeks late.

The Treasurer should implement appropriate procedures to ensure compliance with remittance requirements.

### **Perform Monthly Reconciliations**

The Treasurer did not perform adequate monthly reconciliations of the accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts. Timely and complete monthly reconciliations are a significant internal control and are essential for determining the reliability of information.

The Treasurer should reconcile assessments, collections (including Sheriff's fees), and uncollected balances to CARS on a monthly basis as required by Section 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of tax assessments and collections.

We discussed these comments with the Treasurer on December 3, 2015, and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM:alh

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