



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 27, 2011

Frank S. Lucente
Mayor
2125 Pickett Road
Waynesboro, VA 22980

City of Waynesboro

Dear Mr. Lucente:

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, 2011. 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 as described below.

Strengthen Internal Controls

The Treasurer does not use the automated system to receipt and maintain records of state and estimated income taxes. Instead, the Treasurer and her staff prepare manual receipts. The Treasurer and her staff place both the tax payments in the Treasurer's office and those payments received from the Commissioner of the Revenue in a box in the safe until they are processed. There is no verification that the Treasurer deposits all payments in the safe. The Treasurer should immediately begin using the automated system for receipting tax payments and develop a process to reconcile payments stored in the safe with the deposits to determine proper disposition of all payments.

We discussed this comment with the Treasurer on September 27, 2011 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: Michael G. Hamp, II, City Manager
Stephanie M. Beverage, Treasurer
Donald R. Coffey, Commissioner of the Revenue
Joe Harris, Jr., Sheriff