



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

September 8, 2009

Clarence Simpson
Board Chairman
Office of the Board of Supervisors
344 West Courthouse Road
P.O. Box 92
Nottoway, Virginia 23955

County of Nottoway

Dear Mr. Simpson:

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, 2009. 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 comply with state laws and regulations as described below.

Perform Monthly Reconciliations

The Treasurer did not perform timely and adequate monthly reconciliations of her accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts. Timely monthly reconciliations are a significant internal control which is essential for determining the reliability of information. The Treasurer should reconcile assessments, collections, 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.

The Commissioner of the Revenue did not maintain sufficient internal control over state funds as described below.

Revise Method of Acknowledging Payments Received with Tax Returns

The Commissioner of the Revenue uses a manual cash receipt book to provide taxpayers a receipt when receiving a tax return and a taxpayer requests a receipt. This makes it appear the Commissioner is

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performing certain collections and other duties, which the Treasurer and the Virginia Department of Taxation (Tax) actually perform. While we commend the Commissioner for wanting to assist taxpayers, the use of a manual receipt book is not the best method.

We recommend the Commissioner immediately stop issuing manual cash receipts. If a taxpayer wants a receipt, the Commissioner should send these taxpayers to the Treasurer's office. If the taxpayer wants some acknowledgement of the receipt of their return, the Commissioner should use another means of providing that information.

We discussed these comments with the Treasurer and Commissioner of Revenue on September 18, 2009 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: Ronald E. Roark, County Administrator
Barbara L Senger, Treasurer
Irving J. Arnold, Sr., Commissioner of the Revenue
Larry Parrish, Sheriff