



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

October 12, 2010

Charles Wagner
Board Chairman
1255 Franklin Street, Suite 111
Rocky Mount, VA 24151

County of Franklin

Dear Mr. Wagner:

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, 2010. 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 or comply with state laws and regulations as described below.

Reconcile Account and Remit Funds

The Sheriff did not reconcile the inmate trust fund bank account monthly as recommended by the Virginia Sheriff's Accounting Manual. Reconciliations are an essential internal control to ensure the proper accounting for funds and timely correction of errors. As stated in the Manual, supervisory review is the most effective control. The Sheriff should ensure the bank account is reconciled and the reconciliation reviewed monthly.

In addition, the Sheriff includes work release funds in the account with the inmate trust funds. As of July, 2010 the balance in the account is approximately \$38,000. Of this amount, we estimate approximately \$18,000 is unclaimed funds and profits from prior commissary accounts. The Sheriff should reconcile this account to determine funds that he needs to hold for inmates, the amount he should remit to unclaimed property, and the amount belonging to the commissary/canteen account. The Sheriff should follow the recommended procedures outlined in the Virginia Sheriff's Accounting Manual relating to work release, inmate trust fund, and canteen accounts.

Charles Wagner
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We discussed this comment with the Sheriff and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: Richard E. Huff, II, County Administrator
Lynda F. Messenger, Treasurer
Margaret S. Torrence, Commissioner of the Revenue
Ewell A. Hunt, Sheriff