



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

October 15, 2013

Kenneth R. Belton  
Board Chairman  
P.O. Box 217  
Independence, VA 24348

County of Grayson

Dear Mr. Belton:

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, 2013. 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.

## Remit Sheriff's Fees

The Treasurer did not remit Sheriff's fees, totaling \$7,144, to the Commonwealth. Section 2.2-806 (B) of the Code of Virginia requires Treasurers to remit fees weekly or twice each week when collections reach \$5,000. The Treasurer should remit all collected Sheriff's fees in accordance with the Code of Virginia.

## Remit State Collections Timely

The Treasurer remitted 2012 state income tax payments, totaling \$5,386, to the Commonwealth up to two days late. Section 2.2-806 (A) of the Code of Virginia requires Treasurers to deposit state income tax payments within one banking day of receipt. The Treasurer should deposit state income tax payments in accordance with the Code of Virginia.

## Perform Monthly Reconciliations

The Treasurer did not adequately reconcile his accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts (DOA). Monthly reconciliations are a significant internal control and are essential for determining the reliability of information.

The Treasurer should reconcile assessments, collections and uncollected balances recorded in his accounting records to CARS on a monthly basis, as required by Section 58.1-3168 of the Code of Virginia, and submit correction requests to DOA timely.

The Sheriff did not comply with state laws and regulations as described below.

Properly Charge for Sheriff's Fees

The Sheriff charged \$50 for process and service fees for out of state papers rather than the \$75 fee required by Section 17.1-272 of the Code of Virginia, which resulted in a loss of revenue to the Commonwealth. The Sheriff should charge the correct process and service fees for serving out of state papers.

We discussed these comments with the Treasurer and Sheriff on October 10, 2013 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: Jonathan Sweet, County Administrator  
F. R. Young, Jr, Treasurer  
Larry D. Bolt, Commissioner of the Revenue  
Richard A. Vaughan, Sheriff