



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 29, 2017

David Redwine
Board Chairman
336 Water Street
Gate City, VA 24251

County of Scott

Dear Mr. Redwine:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, Sheriff, and Commonwealth's Attorney of the locality indicated for the year ended June 30, 2017. 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, Sheriff, and Commonwealth's Attorney 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.

Promptly Remit State Collections (Repeat)

The Treasurer remitted \$2,307 in state income tax payments to the Commonwealth three 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.

We discussed this comment with the Treasurer on August 29, 2017 and we acknowledge the cooperation extended to us during this review.

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

Promptly Deposit Sheriff's Fees (Repeat)

The Sheriff did not promptly deposit funds with the Treasurer, with delays of up to seven days. Having cash or checks on hand is a risk that could lead to a loss of funds. Sheriffs should follow the best practices as outlined in the Sheriffs Accounting Manual, which recommends the Sheriff deposit all collections in an official bank account, either weekly or when collections exceed \$200. If the Sheriff elects not to have an official bank account, all collections must be remitted to the locality on a weekly basis or whenever collections exceed \$200.

We discussed this comment with the Sheriff on August 29, 2017 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: Freda Starnes, County Administrator
Mitzi Johnson Owens, Treasurer
Debbie C. Dockery, Interim Commissioner of Revenue
W. John Puckett, Sheriff
Marcus F. McClung, Commonwealth's Attorney