



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 20, 2019

Danny Mann
Board Chairman
County of Scott

Dear Mr. Mann:

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, 2019. 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.

Properly Update Interest

Repeat: Yes (first issued in fiscal year 2018)

The Treasurer did not update interest information in the automated system for income taxes when the rate changed in January 2019. While the financial impact of this condition was negligible, the Treasurer should have a procedure in place to ensure that the interest rate is updated in the system as those updates occur to ensure interest on state income tax is calculated appropriately. The Treasurer should immediately implement procedures, such as reviewing the quarterly on-line Tax Bulletins, to update the automated system promptly with correct interest rates whenever the Department of Taxation changes the interest rates.

We discussed this comment with the Treasurer on August 19, 2019 and we acknowledge the cooperation extended to us during this review.

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

Danny Mann, Board Chairman
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Promptly Remit Sheriff's Fees

Repeat: No

The Sheriff did not promptly remit funds directly to the local Treasurer. We noted delays of up to seven days. Having cash or checks on hand is a risk that could lead to a loss of funds. The Sheriff should follow the best practices outlined in the Virginia Sheriff's Accounting Manual, which recommend the Sheriff deposit all collections in the Sheriff's official bank account or directly with the local Treasurer, either weekly or when collections exceed \$200.

We discussed this comment with the Sheriff on August 20, 2019 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM:vks

cc: Freda Starnes, County Administrator
Mitzi Johnson Owens, Treasurer
Debbie C. Dockery, Commissioner of the Revenue
Chris A. Holder, Sheriff
Andrew Johnson, Commonwealth's Attorney