



Commonwealth of Virginia

Auditor of Public Accounts

Walter J. Kucharski
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 19, 2012

Randy Foley
Mayor
P. O. Box 869
Salem, VA 24153

City of Salem

Dear Mr. Foley:

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, 2011. 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, the Commissioner of the Revenue, Sheriff and the 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 Collections

The Treasurer delayed sending Workers' Compensation Commission Sheriff's fees to the Commonwealth for up to five weeks after collection. Section 2.2-806(B) of the Code of Virginia requires Treasurers to remit fees weekly, or twice each week when collections exceed \$5,000. The Treasurer should remit fees as required by the Code of Virginia.

The Commonwealth's Attorney did not maintain sufficient internal control over state funds as described below.

Properly Remit Excess Collection Funds

The Commonwealth's Attorney did not remit the Commonwealth portion of the excess funds collected totaling \$4,826 from the delinquent collections program for fiscal year 2009 and \$30,959 for fiscal year 2010. The Commonwealth's Attorney did not reconcile his manual records with the actual amount of excess funds held by the Treasurer. The Commonwealth's Attorney should notify the Treasurer of the amount to send to the Commonwealth. In the future, the Commonwealth's Attorney should reconcile his manual records timely and promptly notify the Treasurer of the amounts to send to the Commonwealth.

March 19, 2012
Randy Foley
Mayor
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We discussed this comment with the Treasurer and the Commonwealth's Attorney and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK: vlb

cc: Kevin Boggess, City Manager
Bonnie C. McCormack, Treasurer
Linda M. Carroll, Commissioner of the Revenue
Eric Atkins, Sheriff
Thomas E. Bowers, Commonwealth's Attorney