



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

October 27, 2008

James W. Holley III
Mayor
801 Crawford Street
Portsmouth, VA 23704

City of Portsmouth

Dear Dr. Holley:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, and Sheriff of the locality indicated and for the year ended June 30, 2008. 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.

Properly Remit Sheriff Fees

The Treasurer does not remit Sheriff's fees to the Commonwealth in accordance with Section 2.2-806(B) of the Code of Virginia which requires Treasurers to remit fees weekly, or twice each week when collections exceed \$5,000. Due to coding errors, fees totaling \$2,310 collected from the Juvenile and Domestic Relations Court went unremitted for ten of the twelve months tested. We recommended the Treasurer immediately remit these funds, which he did on August 25, 2008. Additionally, we recommend the Treasurer review current procedures for completeness and accuracy, and implement controls to ensure compliance.

We discussed this comment with the Treasurer on October 22, 2008 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kmk

cc: Kenneth L. Chandler, City Manager
James L Williams, Treasurer
Franklin D. Edmondson, Commissioner of the Revenue
Bill Watson, Sheriff