



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

September 9, 2010

Gerald W. Garber
Chairman
P.O. Box 590
Verona, VA 24482

County of Augusta

Dear Mr. Garber:

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, 2010. 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 Sheriff did not maintain sufficient internal control over state funds or comply with state laws and regulations as described below.

Reconcile Account and Remit Funds

The Sheriff's bank account has a balance of \$2,960.38, of which \$988.82 remains from the prior audit, which he should have given to the Treasurer. Further, the Sheriff did not reconcile the bank account monthly as recommended by the Virginia Sheriff's Accounting Manual.

Reconciliations are an essential internal control to ensure the proper accounting for funds and timely correction of errors. As stated in the Manual, supervisory review is the most effective control. Monthly, the Sheriff should make sure the staff performs the bank account reconciliation and sends all funds to the appropriate officials.

Stopping Spending Funds without an Appropriation

The Sheriff did not deposit abandoned property sales totaling \$3,089.49 with the Treasurer as required by Section 15.2-1615 of the Code of Virginia. The Sheriff retained these funds in a safe, and paid expenses of \$2,530 without an appropriation from the locality.

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Section 15.2-2506 of the Code of Virginia requires an appropriation for all expenses. The Sheriff must reimburse the locality \$2,530 for unauthorized use of the funds and send the entire \$3089.49 to the County Treasurer.

Make Timely Deposits of Funds Held for Others

The Sheriff did not send the proceeds of a forfeited property sale of \$3,388.95 to the appropriate authority nor did he hold these monies in his official account. The Sheriff should have deposited the proceeds of the forfeited property sale with either the Treasurer or the Commonwealth's Department of Criminal Justice Services.

Further, the Sheriff must hold all public funds in his official bank account until transferred to an appropriate official. When we could not locate the proceeds from the Sheriff's sale during the audit, on August 9, 2010 the Sheriff submitted a cashier's check to cover the \$3,388.95.

The Sheriff should deposit all funds he collects in his official account pending disposition. Further, the Sheriff should not disburse any monies for anything other than official business and when necessary with an appropriation.

We discussed this comment with the Sheriff on September 15, 2010 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: Patrick J. Coffield, County Administrator
Richard T. Homes, Treasurer
W. Jean Shrewsbury, Commissioner of the Revenue
Randall D. Fisher, Sheriff
N/A, Commonwealth's Attorney