



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 21, 2016

Alexa V Fritz
Chairman
609 East Street
Culpeper, VA 22701-3222

County of Culpeper

Dear Ms. Fritz:

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, 2016. 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 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 and Sheriff did not comply with state laws and regulations as described below.

Properly Update and Calculate Interest

The Treasurer did not update interest information in the automated system for income taxes when the rate increased from five to six percent in April 2016. 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.

Promptly Remit Sheriff's Fees

The Sheriff did not promptly deposit funds with the Treasurer, with delays of up to five 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

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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 Treasurer and Sheriff on September 21, 2016 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: John Egertson, County Administrator
David L. DeJarnette, Treasurer
Terry L. Yowell, Commissioner of the Revenue
Scott H. Jenkins, Sheriff