



**COUNTY OF HALIFAX  
REPORT ON COLLECTIONS  
OF COMMONWEALTH REVENUES  
BY LOCAL CONSTITUTIONAL OFFICERS**

**REPORT ON AUDIT  
FOR THE YEAR ENDED**

**JUNE 30, 2013**

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# Commonwealth of Virginia

## *Auditor of Public Accounts*

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

November 1, 2013

Thomas E. West  
Board Chairman  
3035 Armistead Rd.  
Nathalie, VA 24577

County of Halifax

Dear Mr. West:

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, 2013. 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 comply with state laws and regulations as described below.

### Improve Management of Collections

As noted in the prior year audit, the Sheriff does not have adequate internal controls over civil process and local fees. Specifically, we noted the following weaknesses.

- The Sheriff did not deposit copy fees, totaling \$380, for insurance reports and commissions from vendor sales with the local Treasurer as required by Section 15.2-1615 of the Code of Virginia. Instead, the Sheriff deposited the fees into his petty cash bank account and disbursed funds from the account without an appropriation from the local governing body. Section 15.2-2506 of the Code of Virginia requires an appropriation for all expenditures.
- The Sheriff did not consistently issue receipts for all monies received. The Sheriff should issue receipts for all collections as required by Section 15.2-1614 of the Code of Virginia.
- The Sheriff delayed depositing civil process fees for up to two weeks after receipt. The Sheriff should follow the accounting best practices for fees as outlined in the Virginia Sheriff's Accounting Manual, which recommend that the Sheriff deposit all civil process fees at least weekly or daily when collections exceed \$200.

We recommend the Sheriff establish proper procedures to include sending all local fees and commissions to the local Treasurer daily, receiving an appropriation from the local governing body prior to expending funds, and issuing receipts for all collections. In addition, the Sheriff should deposit civil process fees at least weekly into the civil bank account or daily when collections exceed \$200.

Properly Report Sales Commissions

The Sheriff reported commissions totaling \$630 from a Sheriff's sales as local collections rather than Commonwealth collections. Section 8.01-499 of the Code of Virginia requires the Sheriff to collect a ten percent sales commission on each Sheriff's sale for the Commonwealth, and report the commission as such when sending the money to the Treasurer.

The Sheriff should inform the Treasurer of the reporting errors we noted and have the Treasurer send the collections to the Commonwealth. Additionally, the Sheriff should comply with the Code of Virginia and follow the procedures outlined in the Virginia Sheriff's Accounting Manual for future sales in the Sheriff's office.

We discussed these comments with the Sheriff on November 1, 2013 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: James M. Halasz, County Administrator  
Linda S. Foster, Treasurer  
Brenda Powell, Commissioner of the Revenue  
Fred S. Clark, Sheriff



# OFFICE OF THE SHERIFF

**FRED S. CLARK, SHERIFF**

Post Office Box 370  
Halifax, Virginia 24558

(434) 476-3339  
Fax (434) 476-7095



November 1, 2013

Dear Ms. Mavredes,

Upon meeting with Senior Specialist Auditor Randall Johnson and receiving the audit report, the Halifax County Sheriff's Office plans to correct the following issues immediately. Furthermore, the following corrective action plan has been devised:

- 1) We will consult with the County Treasurer, Mrs. Linda Foster, to set up a new line item for our department budget, entitled "Halifax County Sheriff's Office Petty Cash Account". Therefore, all disbursed fees will be appropriated by the local governing body.
- 2) I will personally review the receipts that have been issued by the secretary to ensure that receipts were issued for all monies received. I will conduct this review on a monthly basis.
- 3) I will personally ensure that the secretary deposits all civil process fees collected on a weekly basis.
- 4) Upon our future Sheriff Sales, the 10% sales commissions that are required to be collected will be reported to the Halifax County Treasurer, Mrs. Linda Foster, as Commonwealth collections versus local collections. Subsequently, the treasurer will be advised to forward the commission fees to the Commonwealth.

We appreciate your assistance and helpful suggestions for improving our Management of Collections. Our department will work diligently to correct the weaknesses that were identified in the audit.

Sincerely,

A handwritten signature in black ink that reads "Fred S. Clark".

Sheriff Fred S. Clark