



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

November 10, 2010

McKinley L. Price  
Mayor  
City Hall Bldg. 2400 Washington Ave.  
Newport News, VA 23607

City of Newport News

Dear Mr. Price:

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 and comply with state laws and regulations as described below.

## Properly Report Sales Commissions

The Sheriff reported a commission totaling \$660 from a Sheriff sale as a local collection rather than a Commonwealth collection. Section 8.01-499 of the Code of Virginia requires the Sheriff to collect a ten percent sales commission of each Sheriff's sale for the Commonwealth and report it as such when sending the commission to the Treasurer.

The Sheriff should inform the Treasurer of the reporting error and have the Treasurer send the collection 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.

## Properly Reconcile Bank Statement

The Sheriff does not properly reconcile the official bank account 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

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Manual, supervisory review is the most effective control. The Sheriff should ensure the bank account is reconciled monthly and resolve all differences immediately.

We discussed these comments with the Sheriff on November 5, 2010 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK: clj

cc: Neil A. Morgan, City Manager  
Marty G. Eubank, Treasurer  
Priscilla S. Bele, Commissioner of the Revenue  
Gabriel A. Morgan, Sheriff