



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

October 10, 2007

Wanda C. Wingo
Board Chairman
203 S. Oakwood Road
Troutville, VA 24175

Dear Ms. Wingo:

We have reviewed the Commonwealth collections and remittances of the Treasurer, Commissioner of the Revenue, Sheriff, and Commonwealth's Attorney of the County of Botetourt for the year ended June 30, 2007. 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 constitutional officers 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, Commissioner of Revenue and Commonwealth's Attorney did not maintain sufficient internal control over state funds as described below.

Properly Manage Manual Receipts

The Treasurer and his staff use manual receipts when the automated system is down, which is infrequently. Employees kept unnumbered individual two-part manual receipts in their desk.

The employee issues one copy of the receipt to the payer and keeps the other copy to enter into the cash register when system comes back up. When the automated system is available, the cashier enters the receipt into the system, and then either discards or shreds the receipt if it has the payer's social security number.

The Treasurer should follow sound business practices when using manual receipts. A lack of good internal controls in this area can lead to a misappropriation of funds or theft. We recommend the treasurer use pre-numbered receipt books with the County of Botetourt preprinted on them. In addition, the Treasurer should retain one copy of the issued receipts to use to reconcile with the automated accounting system and to provide an adequate audit trail.

Remit State Tax Collections Timely

The Commissioner of the Revenue delayed remitting state tax collections to the Treasurer for up to six business days. Section 58.1-307(B) of the Code of Virginia requires the Commissioner of the Revenue to remit payments accompanied by tax returns to the Treasurer within two banking days of receipt. The Commissioner of the Revenue should remit all state tax collections as required.

Properly Remit Excess Collection Fees

The Commonwealth's Attorney under calculated the amount of collection fees the Treasurer should have received by \$308 for fiscal year 2006. The County Treasurer sends these fees to the Commonwealth. The Commonwealth's Attorney did not reconcile his manual records with the actual amount of fees sent to the local Treasurer by the courts. The Commonwealth's Attorney should send the fees of \$308 to the Commonwealth and send an amended report to the Compensation Board.

We discussed these comments with the Commissioner of Revenue and Commonwealth's Attorney on September 18, 2007. When discussing the comments with the Treasurer, he informed us that he had purchased pre-numbered bound receipt books and implemented the above recommendations. We acknowledge the cooperation extended to us during this audit.

Sincerely,

Auditor of Public Accounts

WJK:clj

cc: Gerald A. Burgess, County Administrator
Charles Benton Bolton, Treasurer
John L. Etzler, V, Commissioner of the Revenue
Ronald N. Sprinkle, Sheriff
Joel R. Branscom, Commonwealth's Attorney