



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

October 12, 2010

Robert K. Bennett II
Mayor
333 West Locust Street
Covington, VA 24426

City of Covington

Dear Mr. Bennett:

We have reviewed the Commonwealth collections and remittances of the Treasurer and Commissioner of the Revenue 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 and Commissioner of the Revenue 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 did not maintain sufficient internal control over state funds and did not comply with state laws and regulations as described below.

Perform Monthly Reconciliations

The Treasurer did not perform timely and adequate monthly reconciliations of their accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts. Timely monthly reconciliations are a significant internal control which is essential for determining the reliability of information. The Treasurer should reconcile assessments, collections, and uncollected balances to CARS on a monthly basis as required by Section 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of tax assessments and collections.

We discussed this comment with the Treasurer October 20, 2010 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:kwv

cc: John V. Doane, City Manager
Eunice D Wright, Treasurer
Cathy M Kimberlin, Commissioner of the Revenue