



Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

November 18, 2013

Roger A. Welch  
Board Chairman  
P. O. Box 420  
Flint Hill, VA 22627

County of Rappahannock

Dear Mr. Welch:

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 Treasurer did not comply with state laws and regulations and did not maintain sufficient internal control over state funds as described below.

## Improve Recordkeeping

The Treasurer uses both an automated and a manual system to account for state collections. The manual system consists of an excel spreadsheet and manual ledgers. During the audit period, the manual ledger was not maintained and the excel spreadsheet was determined to contain formula errors. In addition, the Treasurer and her staff do not know how to request and print reports from the automated system that are critical for reconciliation purposes. During the audit, the Treasurer could not provide us with complete and accurate accounting records. We believe that the problems noted with recordkeeping contributed significantly to the instances of non-compliance listed below.

## Promptly Remit Sheriffs Fees

The Treasurer delayed remitting Sheriff's fees to the Commonwealth for up to five weeks. Section 2.2-806(B) of the Code of Virginia requires the Treasurer to remit fees weekly, or twice each week when collections exceed \$5,000. The Treasurer should remit sheriff's fees in accordance with the Code of Virginia.

### Remit State Collections

The Treasurer did not remit estimated income taxes, totaling \$350, to the Commonwealth. Section 2.2-806 (A) of the Code of Virginia requires Treasurers to deposit state income tax payments within one banking day of receipt. The Treasurer should deposit state income tax payments in accordance with the Code of Virginia.

### Perform Monthly Reconciliations

The Treasurer did not adequately reconcile her accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts (DOA). Monthly reconciliations are a significant internal control and are essential for determining the reliability of information. The Treasurer should reconcile assessments, collections and uncollected balances recorded in her accounting records to CARS on a monthly basis, as required by Section 58.1-3168 of the Code of Virginia, and submit correction requests to DOA timely.

We discussed these comments with the Treasurer on November 13, 2013 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

MSM: clj

cc: John W. McCarthy, County Administrator  
Frances A. Foster, Treasurer  
Beverly S. Atkins, Commissioner of the Revenue  
Connie C. Smith, Sheriff