

Virginia Sheriffs' Institute Spring Conference



Accounting Issues Relating to Sheriffs

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Objectives

- Discuss APA requirements for sheriffs
- Discuss APA requirements for CPA firms
- Provide an overview of what the APA focuses on annually when auditing sheriffs
- Provide a summary of the common issues noted in our most recent audits

APA Organizational Structure

- Recently made a change
- Local Government and Judicial Systems Specialty Team
- One director now assigned to this entire functional area
 - Laurie Hicks

Sheriff's Office Internal Controls

- All sheriffs are responsible for having sufficient controls and procedures in place to satisfy statutory requirements and prevent fraud, misuse, or loss of funds and assets.
- *Virginia Sheriff's Accounting Manual* has recommended guidelines to follow.
- Annually submit Report on Financial Condition to APA

APA Requirements for CPA Firms

- Chapter 3 of the 2012 Special Session Acts of Assembly includes audit requirements for any funds received by the local Sheriff.
- Auditor must identify all sources of funds, determine if internal controls are adequate, and if funds are deposited to an official account/remitted to Treasurer as required.

APA Requirements for CPA Firms

- Gain an understanding of the Sheriff's operations.
 - Procurement - the Sheriff must meet the minimum standards of the Virginia Public Procurement Act.
 - Personnel systems - the Sheriff must comply with applicable state and federal regulations and the Sheriff's internal policies and procedures.

APA Requirements for CPA Firms

- Determine whether the Sheriff has controls to ensure s/he:
 - complies with the *Virginia Sheriffs Accounting Manual*
 - complies with the Code of Virginia, Sections 15.2-1609 through 15.2-1625
 - safeguards all money
 - ensures proper accountability of funds and their disbursement

APA Requirements for CPA Firms

- The locality's independent auditor is required to submit a letter to the Auditor of Public Accounts annually providing assurance as to whether the sheriff has maintained a proper system of internal controls and records in accordance with the Code of Virginia.

APA Annual Audit Overview

- Sheriff's Internal Controls and Procedures Questionnaire
- Review documentation
 - Bank statements, canceled checks and checkbook for the audit period
 - Receipt books used during the audit period
 - Transmittal forms (usually Form 17's) prepared during the audit period

APA Annual Audit Overview

- Compare remittance to Treasurer per Sheriff's records to Treasurer's records.
- Look at timeliness of remittances
- Look at split between locality and state
- Review bank statements; test for timely deposits

Commonwealth's Portion of Sheriff's Fees

Year	Total Collections
2009	\$10,177,337
2010	9,737,705
2011	9,662,477
2012	8,868,550

Common Audit Findings

- Properly deposit funds with the local treasurer (Code of Virginia § 15.2-1615)
 - DARE
 - Project Lifesaver program
 - Fingerprint and background fees
 - Copy fees
 - Commissions from vendor sales

Common Audit Findings

- Obtain an appropriation prior to spending funds
 - Many of the funds not deposited with the Treasurer were spent without first obtaining an appropriation (Code of Virginia § 15.2-2506 requires appropriation)

Common Audit Findings

- Deposit civil process fees timely
- Reconcile bank account monthly
- Retain adequate documentation for civil processes (pre-numbered receipts and supervisory review recommended)

Common Audit Findings

- Properly charge for Sheriff's fees for serving out of state papers
- Properly calculate and report commissions on Sheriff's sales
- Remit unclaimed property promptly
- Update bank account signature card promptly

HB2991 Commissary Proceeds

- Expanded Code of Virginia § 53.1-127.1 to include services
- Profits generated from the inmates' accounts must be used for the benefit of the inmates
- Other profits may be used for the general operation of the Sheriff's office.

Questions

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[http://www.apa.virginia.gov/Local
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