

COUNTY OF LOUISA

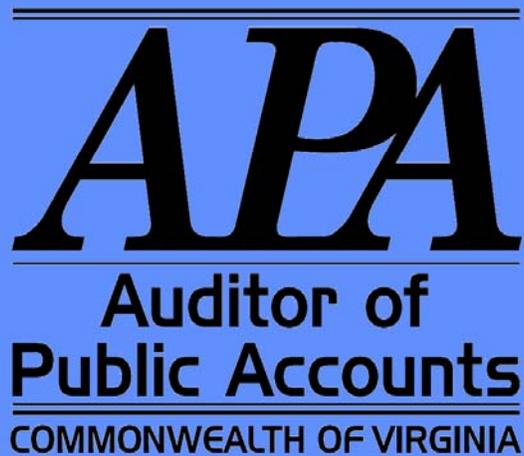
REPORT ON COLLECTIONS

OF LOCAL CONSTITUTIONAL OFFICERS

REPORT ON AUDIT

FOR THE YEAR ENDED

JUNE 30, 2010



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

November 10, 2010

Willie L. Gentry, Jr.
Chairman
P.O. Box 160
Louisa, VA 23093

County of Louisa

Dear Mr. Gentry:

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 Commissioner of Revenue did not maintain appropriate internal control over state funds.

Revise Method of Acknowledging Payments Received with Tax Returns

The Commissioner of Revenue uses a manual cash receipt book to provide taxpayers a receipt when receiving a tax return and a taxpayer requests a receipt. This makes it appear the Commissioner is performing certain collections and other duties, which the Treasurer and the Virginia Department of Taxation actually perform. While we commend the Commissioner for wanting to assist taxpayers, the use of a manual receipt book is not the best method.

We recommend the Commissioner immediately stop issuing manual cash receipts for state income tax payments. If a taxpayer wants a receipt, the Commissioner should send these taxpayers to the Treasurer's office. If the taxpayer wants some acknowledgement of the receipt of their return, the Commissioner should use another means of providing that information.

The Sheriff did not comply with state laws and regulations as described below.

Deposit all Funds with the Treasurer for Appropriation

The Sheriff did not deposit forfeited cash with the local Treasurer as required by Section 15.2-1615 of the Code of Virginia. Instead, the Sheriff deposited these collections into a separate bank account. The Sheriff should transfer these funds, which totaled \$4,826 at June 30, 2010, to the local Treasurer. In addition, Section 15.2-2506 of the Code of Virginia requires an appropriation for all expenditures. Before spending any of these funds, the Sheriff should obtain an appropriation from the local governing board.

We discussed these comments with the Commissioner of Revenue on November 5, 2010 and Sheriff on November 10, 2010 and we acknowledge the cooperation extended to us during this review. The Sheriff provided us with a formal response which is included on page three of this report.

Sincerely,

Auditor of Public Accounts

WJK: clj

cc: Dale Mullen, County Administrator
Gloria G. Layne, Treasurer
Nancy M. Pleasants, Commissioner of the Revenue
Ashland D. Fortune, Sheriff



LOUISA COUNTY SHERIFF'S OFFICE



ASHLAND D. FORTUNE - SHERIFF
P.O. Box 504 • LOUISA, VIRGINIA 23093

November 10, 2010

WALTER J KUCHARSKI
Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218-1295

Re: A109 2010 SA Louisa County Report

Dear Mr. Kucharski:

It was a pleasure working with your staff during the recent APA Audit. During the audit it was discovered that there have been some changes to the Code of Virginia relative to the proper way of handling asset forfeiture accounts. I wanted to take this opportunity to clarify what transpired and acknowledge that the concerns were immediately corrected upon discovery.

We have two (2) asset forfeiture accounts, one (1) federal and one (1) state. Funds that are disbursed to the department from federal agencies are automatically electronically transferred and deposited with the treasurer as required by Section 15.2-2506 of the Code of Virginia. All purchases made from this account were made in accordance with the county's purchasing and procurement policies. Funds distributed by the state arrive by check and not electronically deposited in the same manner as the federal funds.

My administration began on January 1, 2000. At that time it was a common approved practice to deposit these funds into a separate account to be utilized at the Sheriff's discretion, following approved expenditure and procurement policies. Section 15.2-2506 of the Code of Virginia was revised in 2006 requiring these funds to be deposited with the Treasurer in an account separate from the federal funds and budget consideration. My staff and I were unaware of this change until it was brought to my attention during the audit. Upon discovery of the change I immediately closed the account and deposited the funds with the Treasurer. This was a simple administrative error on our part.

It should be noted that none of the funds in the state account were ever spent. All expenditures from asset forfeiture accounts have been from the Federal account and procurement policies were always followed.

Sincerely,

A handwritten signature in black ink, appearing to read "Ashland D. Fortune". Below the signature, the word "Sheriff" is written in a cursive script.