

INDEPENDENT ACCOUNTANT'S REPORT

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

Octavia Johnson
City of Roanoke, Virginia

We have examined the effectiveness of the internal control of the City of Roanoke, Virginia Sheriff's office over financial reporting for the following sources of funds as of June 30, 2010, based on criteria established in the *Code of Virginia's* Chapter 872 of the 2010 Acts of Assembly and in the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia:

- Fingerprint fees
- Fees for civil process services
- Jail inmate fees from:
 - Inmate trust funds
 - Inmate canteen sales
 - Medical co-payments
 - Electronic home monitoring and work release
 - Prisoner reimbursement

The Sheriff's office of the City of Roanoke is responsible for maintaining effective internal control over financial reporting. Our responsibility is to express an opinion on the effectiveness of internal control based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and, accordingly, included obtaining an understanding of the internal control over financial reporting, testing, and evaluating the design and operating effectiveness of the internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. This report also does not include controls over fund or asset sources not listed above.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance . The following material weaknesses have been identified:

Completeness of Revenues

Internal controls are not adequate to prevent or detect the diversion of cash or checks payable to the Sheriff's office to an inappropriate bank account. This finding is common among Virginia sheriffs due to the nature of many of their cash receipts. While there are policies in place to try to minimize this effect, there are currently no mechanisms that would prevent these policies from being circumvented.

Noncompliance with Recommended Accounting Practices in the *Virginia Sheriff's Accounting Manual*

We noted that of our sample of nineteen inmate medical co-pay transactions, signed receipts for six could not be located by the jail's administration staff. The *Virginia Sheriff's Accounting Manual* states that inmates should sign a form, list, or register receipt and that these receipts should be kept by the administration. This documentation should be retained and accessible by the administration staff and will help to ensure that any discrepancies or errors are corrected timely.

We noted that there were significant delays, some approaching a month, in posting transactions to an inmate's account. The *Virginia Sheriff's Accounting Manual* states that inmate account transactions should be posted at least weekly. We recommend that these transactions be posted in a more timely manner.

In our opinion, except for the effect of the material weaknesses described in the preceding paragraphs on the achievement of the objectives of the control criteria, the Sheriff's office of the City of Roanoke, Virginia maintained, in all material respects, effective internal control over financial reporting for the sources of funds listed in the first paragraph as of June 30, 2010, based on criteria established in the *Code of Virginia's* Chapter 872 of the 2010 Acts of Assembly and in the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

This report is intended for the information of the Sheriff of the City of Roanoke, Virginia, management, and the Auditor of Public Accounts of the Commonwealth of Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 29, 2010

ROANOKE SHERIFF'S OFFICE

Octavia Johnson, Sheriff

November 29, 2010

Brown, Edwards and Company, LLP
Certified Public Accountants
319 McClanahan Street, S.W.
Roanoke, Virginia 24014

This communication is in response to the independent accountant's report received from your office. After a thorough audit of Sheriff's Office funds, your office discovered two deficiencies you describe as material weaknesses.

The first weakness identified in your report is Completeness of Revenues. The report states internal controls are not adequate to prevent or detect the diversion of cash or checks payable to the Sheriff's Office to an inappropriate bank account. The report goes on to say this is a common finding among Virginia Sheriff's due to the nature of many of their cash receipts.

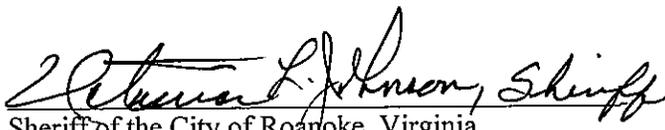
In my opinion, the internal controls that are currently in place are adequate and would detect any misappropriation or diversion of funds. However, if the auditor has any suggestions to improve the current procedures, we would consider putting those into effect.

The other weakness identified references noncompliance with recommended accounting practices in the Virginia Sheriff's Accounting Manual. The auditor sampled nineteen medical co-pay transactions; signed receipts for six of these could not be located by jail staff. The Virginia Sheriff's manual states that inmates should sign a form, list, or register receipt and that these receipts should be kept by administration.

The auditor also noted that in some cases significant delays, some approaching a month, in posting transactions to an inmate's account. The Virginia Sheriff's Accounting manual states that inmate account transactions should be posted at least weekly.

This report was accurate and the deficiencies noted above were immediately addressed with a new procedure. A hand written receipt is now filled out and dispensed to the inmate at the time medical services are rendered. In addition, the transactions made to the inmate's account are now posted on a daily basis.

I appreciate your office conducting this audit and the hard work and effort that was put forth. Please feel free to contact me with any additional questions or concerns you may have.

Signed: 
Sheriff of the City of Roanoke, Virginia