CPAs | Consultants

Robinson, Farmer, Cox Associates, PLLC

Certified Public Accountants

Date: November 7, 2019

Memorandum To: Western Tidewater Regional Jail Authority

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2019

In planning and performing our audit of the financial statements of Western Tidewater Regional Jail Authority for the year ended June 30, 2019, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 7, 2019 on the financial statements of the Authority. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

General Ledger Activity

The Authority's financial statements required a few material adjustments by the auditor to ensure compliance with Generally Accepted Accounting Principles (GAAP). Material audit adjustments were proposed for certain accruals including internal balances, accounts payable, fringe benefits accounts, and pension and OPEB liabilities and related deferred outflows and inflows. Year-end preparation should include a review of interfund balances, reconciliations of accounts receivable and accounts payable aging reports, etc. to the general ledger.

Based on the extent and nature of audit adjustments required, management had noticeably improved the financial statement preparation process from the prior year. Most year-end accrual adjustments were identified and recorded prior to the audit. We recommend that the Fiscal Officer continue to work with the consultant in reviewing audit adjustments made and reconciling accrual accounts to incorporate the necessary adjustments into the year-end close process.