

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 21, 2018

Memorandum To: Piedmont Regional Juvenile Detention Center

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2018

In planning and performing our audit of the financial statements of Piedmont Regional Juvenile Detention Center for the year ended June 30, 2018, we considered the Commission'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 21, 2018, on the financial statements of Piedmont Regional Juvenile Detention Center. 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.

Virginia Public Procurement Act

Finding

The current purchasing policy does not specifically mention the Virginia Public Procurement Act or include provisions required by the Act.

Recommendation

The language in the purchasing policy should be amended to align with and reference the Virginia Public Procurement Act.

Capital Assets

Finding

The listing of capital assets is not being maintained by the Commission. The Commission does not have significant capital asset activity but maintaining the listing also includes calculating annual depreciation expense.

Recommendation

The listing of capital assets should be updated by management as assets are purchased or disposed of throughout the year. Depreciation should be calculated and the related journal entries recorded prior to audit fieldwork.

Virginia Retirement System

Finding

According to the Virginia Retirement System Employer Manual, "If an employee is being paid completely by worker's compensation, the employer must report the employee to VRS as being on leave without pay (LWOP). No retirement contributions are paid and life insurance coverage may be maintained for up to 24 months." One employee was being paid completely by worker's compensation for several months during FY18 but this employee's status was not updated to reflect that change in VNAV and contributions were still being paid by the employee and on the employee's behalf.

Recommendation

Employment status changes should be made in accordance with Virginia Retirement System policies.

Finding

One employee had a start date in the VNAV system that did not agree to personnel files.

Recommendation

Census data elements should be verified when new employees are enrolled or when changes are made in order to ensure accurate reporting to VRS.