

November 16, 2023

Honorable Members of the Board
Pamunkey Regional Jail Authority

In connection with our audit of the financial statements of the Pamunkey Regional Jail Authority (Jail Authority) as of and for the year ended June 30, 2023, we have the following comments and suggestions for your consideration.

Purchasing Approvals

During our testing of internal controls for disbursements, we noted two of the 30 items sampled did not have a completed, approved purchase order or purchase requisition. Having approved purchase requisitions and purchase orders for all required purchases ensures the purchases are proper.

We recommend the Jail Authority strengthen internal controls to ensure that purchase requisitions and purchase orders are being completed and approved for all required purchases.

Pay Rate Approvals

During our testing of internal controls for payroll, we noted one of the 30 employees sampled did not have an approved pay rate change form. The pay rate change form was filled out but did not have a signature. Having an approved pay rate change form ensures the employee pay rate is appropriate.

We recommend the Jail Authority ensure that all pay rate change forms have the appropriate signature approvals.

Public Depository

During review of the Jail Authority's bank accounts, we noted one account that was not identified as a public depository. The *Code of Virginia* requires all depository accounts to be secured in accordance with the Virginia Security for Public Deposits Act (§ 2.2-4400 et. Seq. of the *Code of Virginia*).

We recommend the Jail Authority request the bank to identify this account as a public depository.

New GASB Pronouncements

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Jail Authority. The statements which might impact the Jail Authority are as follows:

GASB Statement No. 99, Omnibus 2022

This Statement provides guidance to enhance comparability in accounting and financial reporting for derivative instruments, leases, financial guarantees, and a wide range of other accounting and financial reporting issues that have been identified during the implementation and application of certain GASB statements. The requirements related to Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and terminology updates related to Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, are effective upon issuance. The requirements related to Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, will be effective for the Jail Authority beginning with its year ending June 30, 2024.

GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

The requirements related to Statement No. 100 will be effective for the Jail Authority beginning with its year ending June 30, 2024.

GASB Statement No. 101, Compensated Absences

This Statement provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The requirements related to Statement No. 101 will be effective for the Jail beginning with its year ending June 30, 2025.

This report is intended solely for the information and use of management and the Pamunkey Regional Jail Authority Board. It is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions concerning any of these items or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2023 and express our appreciation to everyone for their cooperation during this engagement.

