



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

Date: February 11, 2021

Memorandum To: Piedmont Regional Juvenile Detention Center

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2020

In planning and performing our audit of the financial statements of Piedmont Regional Juvenile Detention Center for the year ended June 30, 2020, 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 February 11, 2021, 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

A formal and detailed reconciliation of the Virginia Retirement System to the payroll system is not being prepared on a monthly basis and reconciling items are not being investigated and cleared prior to confirmation of contributions. In July 2019, an employee who separated employment was not removed from the VRS system until July 2020, upon his return to employment. For the twelve-month period between 2019 and 2020, contributions continued to be made to the system for this former employee. In addition, the start dates for two employees and salary for one employee as reported in the VRS system did not agree to the payroll records.

Recommendation

A more formal and detailed reconciliation process should be established to ensure accurate and complete information is being reported to the Virginia Retirement System.

Reconciliation of Bank Accounts

Finding

As of fieldwork in November 2020, the Administrative Assistant had not reconciled bank statements from February 2020 through October 2020. The February 2020 reconciliation was attempted but the Administrative Assistant was unable to fully reconcile the statement. Due to a change in VRS rates, she was unsure of how to enter transactions into the accounting system (QuickBooks). She was given instructions on how to handle these items. She subsequently entered the VRS transactions that had not been entered and reconciled the bank statements.

Recommendation

We recommend the Administrative Assistant seek guidance for handling unfamiliar transactions in a more timely manner. Monthly reconciliation procedures should be performed in the subsequent month with formal review and signoffs by management.