

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: November 7, 2017

MEMORANDUM TO: RSW Regional Jail
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 2017 Audit

In planning and performing our audit of the financial statements of RSW Regional Jail for the year ended June 30, 2017, we considered the Authority's internal control over financial reporting to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal controls.

During our audit, we noted certain internal control and operational matters that are presented for your consideration. This letter does not affect our report dated November 7, 2017, on the financial statements of RSW Regional Jail. Our comments and recommendations, all of which have been discussed with management are designed to keep management abreast of current accounting standards or result in 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.

Implementation of Capitalization Policy

At the present time, there is no formal asset capitalization policy in effect. During our audit, there were instances in which capital asset purchases were expensed rather than capitalized. Failure to capitalize fixed asset acquisitions distorts the interim financial statements not to mention the understatement of assets. We recommend that a policy be implemented which would designate expenditures over a certain dollar value, possibly \$5,000 as capital expenditures to be recorded as depreciable capital assets.

Accounting Policies and Procedures Manual

The Authority continues to work on its comprehensive manual of accounting policies and procedures. This manual will help to standardize the Authority's accounting processes and be used to inform all employees of desired operating procedures and policies. The manual could also greatly minimize the time required to train new staff members with accounting responsibilities. Features of the system of internal controls should also be documented in the manual for future reference.