



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: September 21, 2021

Memorandum To: Central Shenandoah Criminal Justice Training Academy

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2021

In planning and performing our audit of the financial statements of Central Shenandoah Criminal Justice Training Academy for the year ended June 30, 2021, we considered the Academy'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 September 21, 2021 on the financial statements of Central Shenandoah Criminal Justice Training Academy. 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.

Recording of Accruals and Audit Preparation (Repeat Comment)

Finding

Several accrual journal entries were made during audit fieldwork, including those reflecting principal payments on debt and related interest accruals, corrections to accrued leave balances, depreciation, and various other assets and liabilities.

Recommendation

We recommend that the consultant assist with recording accrual activity prior to audit fieldwork, reviewing adjustments made during the prior audit. Ending asset and liability balances should be reviewed against prior year balances to identify adjustments that may be necessary and to determine if year-end balances are reasonable. This will limit the auditor's involvement in recording adjusting journal entries and making significant adjustments to the general ledger, which presents a material weakness in internal controls. The audit preparation process should include a review of general ledger activity and discussion with management to identify capital asset additions and disposals. The capital asset threshold of \$1,000 should be used when determining items to be capitalized. A process should be implemented by the bookkeeper or management where capital items are identified and provided to the consultant throughout the year. Also, sales, insurance recoveries, and trade-ins should also be communicated with related disposals recorded. All related activity should be reflected on the depreciation schedule and general ledger presented for audit.

Grant Activity

Finding

The Academy received a COVID grant during the year, which required the submission of reimbursement requests throughout the year. A new general ledger account was created to record certain COVID-19 related expenses. However, not all expenses were recorded in the designated account. It was difficult to reconcile grant income to expenses submitted for reimbursement as management did not retain reconciliations to support the individual reimbursement requests.

Recommendation

We recommend that management maintain documentation to support expenses submitted for reimbursement under grants. A reconciliation or listing of individual expenses associated with each reimbursement request should be maintained to support that grant funds were used for eligible purposes.

Duplicate Payment

Finding

In reviewing Foundation activity, we found that a duplicate payment was made to Express Tax Exempt.Com in the amount of \$19.90. Both ACH payments were recorded with a date of 7/10/20, whereas only one invoice was on file.

Recommendation

We recommend management and the consultant implement a system to avoid duplicate payments being made for the same transaction.