

This letter contains redacted information which refers to details of control weaknesses that were communicated to locality management and governance but are FOIAE under Code of Virginia §2.2-3705.2 due to its sensitivity and description of security controls or mechanisms.

**Report to the
Board of Directors**

**VIRGINIA PENINSULA
REGIONAL JAIL AUTHORITY**

June 30, 2021

INDEPENDENT AUDITOR'S REPORT ON COMMENTS AND SUGGESTIONS

To the Board of Directors
Virginia Peninsula Regional Jail Authority

In planning and performing our audit of the financial statements of the Virginia Peninsula Regional Jail Authority (the Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements and to comply with any other applicable standards, such as *Government Auditing Standards*, and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards***, which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Virginia Peninsula Regional Jail Authority, management, and the appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 12, 2021

COMMENTS AND SUGGESTIONS

BANK RECONCILIATION CONTROLS

It was brought to our attention in a prior year audit that the fiscal agent of the Authority was noting differences when reconciling the bank account each month that is held at the Authority. During the current year audit it was brought to our attention that the fiscal agent has been continuing to work with the Authority on reconciling some of these differences, but the matter is not yet fully resolved. This difference does not have a material effect on the financial statements as a whole, however, bank accounts should not have irreconcilable differences each month. We recommend that the Authority continue to determine what causes the differences each month between their reconciliation and their fiscal agent's.

VENDOR CONTROLS

During the current year audit it was brought to our attention that a vendor of the Authority was not depositing inmate funds into the Authority's bank account of inmate trust funds for an almost two month period. The vendor was also not providing any notification to the Authority that these funds for inmates existed. We recommend that the Authority monitor vendor transactions to ensure they are occurring in a reasonably timely manner.

[REDACTED]

[REDACTED]