

VIRGINIA SECURITY FOR PUBLIC DEPOSITS ACT REGULATIONS – VAC-75-20-110

ANNUAL AUDIT CERTIFICATION GUIDELINES

- Period to be covered:** The 12 months preceding the end of the depository's fiscal year. For example, if December 31 was the close of a fiscal year, the certification must cover January 1 through December 31.
- Due Date:** Due 10 calendar days after June 30th of the calendar year immediately following the close of the fiscal year of the depository
- Prepared by:** A public depository's independent certified public accountant or its internal audit department

Agreed-upon procedures:

In order to comply with the regulations, the agreed-upon procedures shall include but are not limited to the following:

- Conduct a review to ensure all public deposit accounts are accurately reported on the weekly, monthly, and quarterly public deposit reports submitted to the Treasury Board. If the population of Virginia public deposit accounts is large (i.e. more than 30) select a representative sample for review.
- Review to ensure the adequacy of the depository's process to identify bank accounts as public deposit accounts at the time the accounts are opened.
- Review the adequacy of the depository's process for compiling public deposit account balances in preparation of submission of the weekly, monthly, and quarterly public deposit reports to the Treasury Board.
- Review for accuracy the official custodians reported on the quarterly public deposit reports submitted to the Treasury Board.
- Review the depository's process for identifying when additional collateral must be pledged to the Treasury Board when public deposit balances at the depository increase. If additional collateral needs to be pledged, it must be pledged at the same time the additional deposits are accepted.
- Review to ensure that CDARS public deposits are accurately reported on the monthly public deposit reports submitted to the Treasury Board.
- Review for accuracy the federal deposit insurance coverage netted against public deposit balances on the weekly, monthly, and quarterly reports submitted to the Treasury Board. Test for the following:

- FDIC coverage is properly calculated for public time and savings accounts (including NOW accounts and money market deposit accounts).
- FDIC coverage is properly calculated for public demand deposit accounts.
- FDIC coverage is properly calculated when the same individual is an official custodian of multiple public deposit accounts of one public entity.
- FDIC coverage is properly calculated when the same individual is an official custodian for more than one public entity.
- FDIC coverage is properly calculated when there is more than one official custodian of a public deposit account.

Reporting Format of Annual Certification:

- State period covered by the Certification. For example: “This certification covers the depository’s fiscal year ended _____. “
- Address certification report to the depository’s management with the Virginia Treasury Board copied.
- Have the certification signed and dated by the independent certified public accounting firm conducting the certification or the depository’s internal audit department.
- Include a statement that the certification was conducted in accordance with attestation standards of the AICPA or the Institute of Internal Auditors (specify which one was used).
- List the procedures performed to complete the certification and any related findings associated with each procedure. For public deposit accounts that were incorrectly omitted from SPDA weekly, monthly, or quarterly reports, include a list of the account name, account number, and account custodian.
- Provide an update on the status of any findings noted in previous certifications.
- Provide any restrictions or limitations encountered when conducting the procedures performed.
- Submit a copy of the certification report by the required due date to Department of the Treasury, Operations Division, SPDA Accounting, P.O. Box 1879, Richmond, VA 23218-1879 or e-mail the certification report to SPDAMail@trs.virginia.gov.

Reference Material: The Security for Public Deposits Act, SPDA Regulations, SPDA Guidelines, collateral requirements and other pertinent data found at the Dept of the Treasury’s website at www.trsvirginia.gov under the Operations Div

Section 330.15 of the FDIC regulations governing the insurance of public unit accounts

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