



CERTIFIED PUBLIC ACCOUNTANTS

April 30, 2015

Board of Directors
Town of Islip Industrial Development Agency
Islip, New York

In planning and performing our audit of the financial statements of the Town of Islip Industrial Development Agency, New York as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the Town of Islip Industrial Development Agency, New York's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Islip, New York's internal control.

However, during the audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report, dated April 30, 2015 on the financial statements of the Town of Islip Industrial Development Agency, New York.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or assist you in implementing the recommendations.

A handwritten signature in cursive script, reading "Albrecht, Viggiano, Zureck & P.C.".

Hauppauge, New York

PERSONAL SERVICE. TRUSTED ADVICE.

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IDA - MONITORING FINANCIAL RECORDS

Criteria

Management is responsible for establishing procedures to monitor the financial status of the Industrial Development Agency ("Agency"). Management should periodically reconcile both revenues and expenses to those recorded on the Town of Islip's books and records.

Condition

During our audit we noted that a certain transaction to record revenue was recorded in error on the Agency. This error required subsequent adjustment to correct the Agency's records.

Recommendation

We recommend that Management formally reconcile the financial data of the Agency to the Town of Islip records at least quarterly.

INVOICING

Criteria

Management is responsible for establishing procedures to monitor the invoicing of the Agency. Management should perform a review of the invoice prior to finalization to ensure that amounts are calculated correctly.

Condition

During the audit, it was noted that one invoice sent out to a client was incorrect and understated by approximately \$200.

Recommendation

We recommend that the invoices be reviewed and agreed to the information in the client's file prior to being sent out.

FIXED ASSET DISPOSITIONS

Criteria

According to the Town of Islip Administration Procedures Manual, Section 200 Procurement and Accountability Procedures, Chapter 205 Fixed Assets Recording and Monitoring:

Assets property identified for disposal by the using department and confirmed by the Comptroller's office will be disposed of according to procedure allowed under New York State law. No property shall be disposed of without the knowledge and written approval of the supervisor.

Condition

During the audit, it was noted that the Agency did not obtain proper approval from the Town Supervisor or any board member for the disposition made during the year.

Recommendation

We recommend that the Agency follow the Town's Administrative Manual on asset dispositions, or develop their own policy.

MONITORING PILOT CALCULATIONS

Criteria

Management is responsible for establishing procedures to monitor the pilot calculations of the Agency. Management should reconcile and develop procedures to ensure that amounts are properly invoiced.

Condition

During our audit, we were informed of an error that resulted in over billing of approximately \$350.

Recommendation

We recommend that management formally reconcile the pilot invoices of the Agency to the final warrant to ensure that any changes are identified and corrected timely.