



June 2, 2016

Agency Board
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, 2015, 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 Industrial Development Agency, 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 June 2, 2016 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.

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Hauppauge, New York

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IDA - MONITORING FINANCIAL RECORDS (Repeat Finding)

Criteria

Management is responsible for establishing procedures to ensure that the financial records of the Industrial Development Agency ("Agency") are complete and accurate. 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's Books. 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 (Repeat Finding)

Criteria

Management is responsible for establishing procedures to create and monitor the invoicing of the Agency. Management should perform a review of the invoice prior to finalization to ensure that amounts are calculated correctly, and proper documentation is maintained to support the calculation.

Condition

During the audit, it was noted that the fee calculation for one project was changed prior to closing and supporting documentation for the change was missing.

Recommendation

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

MONITORING PILOT RECEIVABLES

Criteria

Management is responsible for establishing procedures to monitor the PILOT receivables of the Agency. Management should reconcile and develop procedures to ensure that amounts are properly invoiced, and collected.

Condition

During our audit, we noted that one PILOT receivable was not recorded. This error required subsequent adjustment to correct the Agency's records.

Recommendation

We recommend that management formally reconcile the PILOT receipts of the Agency to the final warrant to ensure that all unpaid amounts are timely followed up on and recorded properly on the Agency's books.