



INCORPORATED VILLAGE OF NORTHPORT

**MEMORANDUM ON ACCOUNTING PROCEDURES
AND INTERNAL CONTROLS
2020**



To the Board of Trustees of
the Incorporated Village of Northport:

In planning and performing our audit of the financial statements of the Incorporated Village of Northport (the "Village") as of and for the year ended February 29, 2020, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the Village's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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.

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. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we did not become aware of any additional matters involving the internal control structure or other operational matters to present for your consideration. This memorandum presents information as to the status of prior audit recommendations. This letter does not affect our report dated August 1, 2020 on the financial statements of the Village. We will review the status of these comments during our next audit engagement. 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 studies of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Trustees and others within the Village, and is not intended to be, and should not be, used by anyone other than these specified parties.

Melville, New York
August 1, 2020

INCORPORATED VILLAGE OF NORTHPORT
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AND INTERNAL CONTROLS
FOR THE YEAR ENDED FEBRUARY 29, 2020

CURRENT YEAR RECOMMENDATIONS:

None reported.

STATUS OF PRIOR AUDIT RECOMMENDATIONS:

In connection with the prior year audit of the financial statements of the Village, certain recommendations were reported. Reference is made to that letter dated July 1, 2019 for details on these observations and recommendations. The following presents an overview of these matters, as well as our understanding of their current status:

1. Accounts payable

We recommended that the Village create formal policies and procedures for the management and tracking of accounts payable at year-end.

During our current year's audit, we noted this recommendation was implemented.

2. Credit cards

We recommended that the Village reconcile all credit card charges monthly and ensure that appropriate supporting documentation be attached to each monthly statement.

During our current year's audit, we noted this recommendation was in the process of being implemented.

3. Payroll deductions

We recommended that a quarterly review of all account balances be performed within the Trust and Agency Fund in order to ensure that the balances recorded are accurate.

During our current year's audit, we noted this recommendation was in the process of being implemented.

4. Year-end closing procedures (Prior Year Material Weakness)

It was recommended that the Village develop specific procedures to help coordinate a timely and accurate closing of the books and records.

During our current year's audit, we noted this recommendation was in the process of being implemented.