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November 30, 2020

To the Board of Trustees  
Incorporated Village of Patchogue  
Patchogue, New York

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Incorporated Village of Patchogue (Village) as of and for the year ended May 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion 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.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated November 30, 2020 on the financial statements of the Incorporated Village of Patchogue.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel, 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.

The accompanying comments and recommendations is intended solely for the use and information of the Board of Trustees, management, others you deem appropriate within the Village, and any governmental authorities you need to share this information with. It is not intended for use by anyone other than these specified parties.

Very truly yours,

*Cullen & Danowski, LLP*  
Cullen & Danowski, LLP

**STATUS OF PRIOR YEAR COMMENTS**

**Payroll**

A good internal control system is one that includes proper reviews and approvals, as well as segregation of duties. It is through these processes that checks and balances can be implemented to ensure the integrity and efficiency of the system.

During our previous audit, based on our test sample, we noted a new hire was paid the incorrect rate. When the employee was entered into the payroll system, the pay rate entered was higher than the rate approved by the Board, which caused the employee to be overpaid approximately \$8,715 during the 2018-2019 year. We recommended that the Village develop procedures to review new employee entries in the payroll system to ensure the proper information is entered.

*Current Status: Corrected* – We noted there were no findings within our test sample during the current year’s audit.

**Financial Policies**

Villages should have written financial policies to ensure compliance with laws and regulations, as well as maintaining adequate internal controls.

During our previous audit, we noted that the Village does not have a formal policy for transfers or budget revisions. We recommended that the Village establish procedures for transfers and budget revisions and document them in an approved Board policy.

*Current Status: Not corrected.*

**CURRENT YEAR COMMENTS**

There are no current year comments to report.