



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
 110 STATE STREET
 ALBANY, NEW YORK 12236

THOMAS P. DiNAPOLI
 COMPTROLLER

GABRIEL F. DEYO
 DEPUTY COMPTROLLER
 DIVISION OF LOCAL GOVERNMENT
 AND SCHOOL ACCOUNTABILITY
 Tel: (518) 474-4037 Fax: (518) 486-6479

April 25, 2018

Hon. John T. Colby, Mayor
 Members of the Board of Trustees
 Village of Dering Harbor
 P.O. Box 3010 – 23 Locust Point Road
 Shelter Island Heights, NY 11965

Dear Mayor Colby and Members of the Board of Trustees:

The Division of Local Government and School Accountability of the Office of the State Comptroller has selected the Village of Dering Harbor for an audit. The audit will focus on policies and procedures related to internal controls at the Village.

We plan to begin audit fieldwork in the near future. We will contact you shortly to schedule an entrance conference and to identify those officials and staff who should attend this meeting. At the entrance conference, you will be able to ask questions about this audit and about the resources the examiners will need. Once the audit is underway, our audit staff will be available to meet with any Village officials, including individual members of the Board, at any time during audit fieldwork.

Attachment A lists some of the records and information we expect to review during the audit. We appreciate your cooperation in providing us with as much of this information as possible at the entrance conference. In addition, before the entrance conference and in advance of the audit, we will require certain electronic information from your financial accounting system as outlined in Attachment B, which can be accessed at the following web address:

Your **USERNAME** is [REDACTED] and your **PASSWORD** is [REDACTED]. During the course of the audit, we may need to request other information as well. We recognize that an audit places additional demands on you and your staff, and we will do our best to minimize disruption to your day-to-day operations. Our publication, Understanding the Audit Process, which explains how we conduct our audits, is available at [\[REDACTED\]](#).

At the conclusion of our audit, we will report on the audit's results and provide recommendations to help improve your Village's operations. As a key Village official, you will have a role in monitoring any corrective actions that need to be taken as a result of this audit. Therefore, please feel free to ask questions about the audit at the entrance conference and about the audit's progress at any time during the audit engagement. If I can answer any questions you have at this time, please contact me at 631-952-6534.

Sincerely,

Ira McCracken

Ira McCracken, Chief Examiner
 Division of Local Government and
 School Accountability

Enclosure

cc: Elizabeth M. Gilpin, Village Clerk-Treasurer

4/26 - Phoned OSC to better understand why we are being audited. Audit is a result of the request of the trustee who is questioning the competency of the fiscal competency of the village.

Attachment A
Initial Request for Records and Information

Please make available access to the following requested information. (We do not need copies).

Village of Dering Harbor – Period Covering June 1, 2017 – Present

Minutes

Annual Financial Reports

Budgets

Records, Policies and Other Documents:

- Cash Receipts Journals
- Cash Disbursements Journals
- General Journals
- General Ledgers
- Revenue Ledgers
- Appropriation Ledgers
- Inventory Records for Gas, Fuel & Other Commodities
- Property and Equipment Inventory Records
- Bank Statements
- Cancelled Checks
- Copies of Deposit Slips
- Bank Reconciliations
- Investment Policy
- Security and Custodial Agreements
- Confirmation of Pledged Collateral
- Duplicate Receipt Forms
- Purchasing Policy
- Code of Ethics
- Vendor Listing
- Purchase Requisitions / Orders
- Paid Vouchers or Claims
- Abstracts, Audits or Warrants
- Bid Specifications or Folders
- Record of all Indebtedness
- Payroll Records
- Employee Time Cards
- Leave Time Records
- IRS Forms and Reports
- State Tax Forms and Reports