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## MANAGEMENT LETTER

Board of Directors  
Salamanca Industrial Development Agency

In planning and performing our audit of the financial statements of the Salamanca IDA for the year ended March 31, 2021, we considered the Agency's internal control system to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the Agency's internal controls. The following are recommendations for improving internal controls or operational efficiencies or communications addressing control deficiencies that are not serious enough to be considered control deficiencies.

1) Journal entries:

Upon our review of journal entries and our follow up inquires with the Agency, we noted that journal entries are generally not printed. While we were provided a copy of all journal entries that we requested to inspect, along with the associated backup supporting the entries in a timely manner from the Agency's bookkeeper, we still would recommend, as a best-practices procedure, that, going forward, the Agency print off and include in the journal entry binder all journal entries. Additionally, we recommend that another employee review and sign off on all journal entries. This procedure will provide an added level of control and will reduce the risk of fraud that can occur through the recording of journal entries.

2) Policies and procedures:

During our audit we noted that written policies and procedures have not been reviewed or updated. With the transition with the new staff, it is imperative to have written policies and procedures to operate. We recommend that the staff review and update policies to document basic policies and procedures.

3) Accounting and Small Office

In the process of performing our audit, we noted that there was a certain lack of review and reconciliation in many areas of the accounting function due to limited staff. Accounting tasks such as monthly reconciliations, cross checks, and reviews play a key role in proving the accuracy of accounting data and financial information that comprise interim and year-end financial statements. We strongly suggest that IDA establish effective review and reconciliation policies and procedures as a customary part of the accounting process.

We believe that the implementation of these recommendations will provide the Agency with a stronger system of internal accounting control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization (or specified regulatory agency) and is not intended to be, and should not be, used by anyone other than these specified parties.

West Seneca, New York  
July 2, 2021

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