

September 1, 2017

CONFIDENTIAL

Honorable Mayor and  
Members of the City Council  
City of Beacon, New York:

We have completed our audit of the financial statements of City of Beacon, New York (the City) for the year ended December 31, 2016, and have issued our report thereon dated September 1, 2017. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal controls as your principal safeguard against irregularities which a test examination might not disclose. We now present for your consideration our observations and recommendations during our audit.

This report is solely for the information and use of the Members of the City Council, management and others within the City.

IT Risk Assessment

A formal information technology (IT) risk assessment has not been performed, but when interviewed, the City's IT consultant is aware of the associated risks. We recommend that a full risk assessment of the City's IT systems be performed and documented.

Financial Systems Backup

The City uses the MUNIS accounting software for its financial applications and backup is performed nightly with MUNIS through a cloud based system. However, the permitted roles pertaining to the MUNIS software are not frequently reviewed, so that one person could have access to both the original entry and final approval for payment. The roles have not been reviewed or periodically changed. We recommend that permissions within MUNIS be periodically reviewed and modified as necessary so that only permissible activities can be accomplished by a user.

The City Council  
City of Beacon, New York  
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We wish to take this opportunity to express our appreciation for the courtesy and cooperation extended to us by the City during our audit. If you have any questions regarding the foregoing comment or wish any assistance in its implementation, please contact us at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

A handwritten signature in black ink, appearing to read 'Douglas E. Zimmerman', with a long horizontal flourish extending to the right.

Douglas E. Zimmerman, CPA  
Partner  
Chief Operating Officer