



March 9, 2010

Chairman and Agency Board  
Town of Colonie Industrial Development Agency  
347 Old Niskayuna Road  
Latham, New York 12110

Dear Chairman and Members of the Board:

This letter includes a comment and suggestion regarding a certain matter that came to our attention during our audit of the financial statements of the Town of Colonie Industrial Development Agency (Agency) for the year ended December 31, 2009. This item is offered as a constructive suggestion to be considered as part of the ongoing process of improving the Agency's practices and procedures.

### **COMMENTS RELATED TO SAS 99**

As required by the Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*, we performed certain procedures to inquire as to the existence of any fraudulent activity and of management's opinion regarding the possibility of fraud occurring. As a result of these inquiries, we noted the following:

#### **Segregation of Duties**

*Observation:* As noted in prior years, the Board does not review the bank statements.

*Suggestion:* The review of bank statements and cancelled checks is the easiest and most efficient method for identifying questionable payments and activity. In order to ensure that management and/or other support staff have not made such payments, the Board should periodically request and review monthly bank statements, ensure that the cancelled checks are included with the bank statements, and review the cancelled checks for propriety. This function can also be assigned to a Town employee who does not have signing authority on the Agency accounts but has some knowledge on the activities of the Agency.

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

We appreciate serving the Agency and would be happy to assist you in addressing and implementing the suggestion in this letter.

Very truly yours,

BOLLAM, SHEEDY, TORANI & CO. LLP

William C. Frietag, Partner

WCF/dmc