



Supervisor and Town Board  
Town of Saratoga, New York  
Saratoga, New York

In planning and performing our audit of the financial statements of the Town of Saratoga, New York (Town) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following is a description of an identified control deficiency that we determined did not constitute a significant deficiency or material weakness:

### **Approval of Expenditures**

*Finding:* During the course of our audit, we identified instances where vendor invoices were not stamped by the Town Clerk, as required by Town policies and procedures, indicating her review of the invoice to verify it had obtained the proper signatures.

*Recommendation:* We recommend that the Town implement procedures to ensure all invoices receive the proper approvals prior to their disbursement.

*Management's Response:* Management of the Town will implement the necessary procedures to ensure that all invoices receive the proper sign-offs.

Supervisor and the Town Board  
Town of Saratoga, New York  
Page 2

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

BST & CO. CPAs, LLP

Albany, New York  
September 5, 2017

