

Village of Elbridge
5/31/12

Purpose

To assist the Village of Elbridge in internal control related issues. .

Scope

Random selections of expenditure and revenue accounts were selected from the General and Water Fund, as well as their respective bank reconciliation's for the period ending May 31, 2012.

Disclaimer

Our review was limited to obtaining an understanding of the voucher payment, revenue recognition and bank reconciliation process as limited to the General and Water Funds. The Village trustees are responsible for establishing and maintaining a system of internal accounting control. Our examining included a review of supporting documentation on a test basis to determine if prescribed internal controls were operating as described. Our suggestions are offered as a means for Village official's to review their current procedures and assess the feasibility of our suggestions. The objectives of an internal control system are to provide reasonable assurance, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that, transactions are executed in accordance with management's authorization. Also, due to inherent limitations in any system of internal accounting controls, errors or irregularities may occur and not be detected. An overall financial audit was not conducted and accordingly no opinion is being expressed on the financial position or statements taken as a whole for the Village of Elbridge for the period ending May 31, 2012.

Offered Suggestions

Bank Reconciliations

Consideration should be given to utilizing a standard bank reconciliation format, which indicates beginning and ending bank balances and details any differences between book and bank balances.

The bank reconciliations should be reviewed and approved by an individual(s) independent of the financial record keeping and cash handling processes.

Checks should be signed by an individual who is independent of the financial accounting management system.

Procedures should be implemented to perform a periodic review of old outstanding checks. Village personnel should also, become familiar with New York State Abandoned Property laws.

Water Sales

Supporting documentation should be requested from the municipality receiving water services for verification purposes.