

VILLAGE OF WOODRIDGE,  
ILLINOIS

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MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018



May 28, 2019

The Honorable Village Mayor  
Members of the Board of Trustees  
Village of Woodridge, Illinois

In planning and performing our audit of the financial statements of the Village of Woodridge (Village), Illinois, for the fiscal year ended December 31, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the Village of Woodridge, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well-prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## **PRIOR AUDITORS RECOMMENDATIONS**

### 1. **YEAR END ACCRUALS**

#### Comment

During the prior auditor's testing of year end accruals, they noted certain adjustments that were necessary to correctly record balances for certain revenues and related receivables. They proposed adjusting journal entries, which were reviewed, approved and recorded by management to correct the general ledger balances at year end.

#### Status

This comment has been implemented and will not be repeated in the future.

### 2. **INTERNAL CONTROLS OVER CASH RECEIPTS**

#### Comment

During the prior auditor's walkthrough of the cash receipts at the police department, they noted that while there were approvals on the physical voided documents, those handling handle cash also have the ability to void tickets within the ticketing system. This creates a segregation of duties issue, where the cashier could potentially void a ticket without the approval of management. The prior auditor recommended that a periodic review of the online system be implemented, or the cashiers' void abilities be reduced within the ticketing system.

#### Status

This comment has been implemented and will not be repeated in the future.

### 3. **ESCROW DEPOSITS**

#### Comment

During the prior auditor's review of refundable deposits, they noted certain deposits that were greater than seven years old. The deposits at December 31, 2017 represented approximately 70.3% of the total deposits held at year end. They recommended that the Village review these deposits on a regular basis to determine if the deposits are still applicable or should be returned to the depositor.

#### Status

This comment has been implemented and will not be repeated in the future.

## **PRIOR AUDITORS RECOMMENDATIONS – Continued**

### **4. ACCESS CONTROLS**

#### Comment

During the prior auditor's walkthrough of the Village's information technology (IT) controls as well as the prior auditor's review of the Village's IT Module access listing, they noted that the Village does not perform periodic reviews of all users with access to the accounting system to verify that users have appropriate access based on their positions at the Village. They recommended the Village perform a comprehensive review of its access controls and user roles within the system to ensure adequate segregation of duties are maintained and proper controls are implemented.

#### Status

This comment has been implemented and will not be repeated in the future.

### **5. WATER ACCOUNTS RECEIVABLE**

#### Comment

During the prior auditor's testing of the Water/Sewer Fund billed accounts receivable at year end, they noted a difference between the balances reported on the Village's general ledger and the Village's subsidiary ledger. While the variances were immaterial overall to the Village's financial statements, they recommended that the Village implement control procedures in which the Water/Sewer subsidiary ledger is reconciled with the general ledger on a monthly basis to ensure all transactions have been recorded properly.

#### Status

This comment has been implemented and will not be repeated in the future.

### **6. YEAR END ACCRUALS**

#### Comment

During the prior auditor's testing of year end accruals, they noted certain adjustments that were necessary to correctly record balances for cash, capital assets, payroll liabilities, accounts payable, prepaid expenses, revenue and related receivable. They recommended that the Village perform a detailed review of significant balance sheet and income statement accounts as part of the year end close process to ensure amounts are properly recorded. They proposed adjusting journal entries, which were reviewed, approved and recorded by management to correct the general ledger balances at year end.

#### Status

This comment has been implemented and will not be repeated in the future.