

Township of West Milford

Passaic County, New Jersey

~ Resolution 2012 – 244 ~

RESOLUTION OF THE TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, STATE OF NEW JERSEY, APPROVING SUBMISSION OF THE CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2011 TO THE STATE OF NEW JERSEY, DIVISION OF LOCAL GOVERNMENT SERVICES

WHEREAS, all municipalities operating under the Local Fiscal Affairs Law must prepare and submit a Corrective Action Plan as part of their annual audit process, and

WHEREAS, the Township of West Milford has by Resolution accepted the 2011 audit as prepared and presented by the Township Auditors, and

WHEREAS, Monica Goscicki, the Chief Financial Officer for the Township of West Milford has prepared a Corrective Action Plan to address the findings and recommendations for the 2011 audit and presented copies of same to the Mayor, Council, and Administrator,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of West Milford, in the County of Passaic, that the Corrective Action Plan, attached hereto and made a part hereof, be approved for submission to the Division of Local Government Services.

Adopted: July 18, 2012

Adopted this 18^h day of July, 2012 and certified as a true copy of an original.

Antoinette Battaglia, Township Clerk

**Township of West Milford
Corrective Action Plan
For Audit as of December 31, 2011**

Findings # 1

Description: That the salary ordinance contain the salaries to be paid to the Mayor and Council.

Analysis: The last salary ordinance that was passed did not contain the Mayor and Council member's salaries.

Corrective Action: The next salary ordinance will contain the Mayor and Council salaries.

Implementation Date: September 2012

Findings #2

Description: That all employees be paid in accordance with the salary ordinance..

Analysis: There was one employee whose salary was calculated incorrectly.

Corrective Action: The employee's salary was corrected.

Implementation Date: April 2012

Findings #3

Description: That the Township's General Fixed Asset report be updated for additions and deletions.

Analysis: The Township had a fixed asset inventory done as of 12/31/2007 however, no additions or deletions have been recorded to update the report since then.

Corrective Action: Each year additions and deletions to the fixed asset report should be recorded.

Implementation Date: December 2012

Findings #4

Description: That the cash deficits for ordinances over five years old be funded in future year's budgets.

Analysis: There are some ordinances over five years old that have cash deficits and need to be funded in future year's budgets.

Corrective Action: Funds will be budgeted in future years budgets.

Implementation Date: June 2012

Findings #5

Description: That all deferred charges to future taxation – unfunded balances over 5 years old where the projects have been completed be funded.

Analysis: There are some projects with unfunded balances that have been completed that should be funded.

Corrective Action: Funds will be budgeted in future years budgets.

Implementation Date: June 2012

Findings #6

Description: That old escrow and trust reserve balances be returned or canceled.

Analysis: The Township has a number of escrow and trust accounts where funds have been posted in the past.

Corrective Action: These escrow and trust accounts are in the process of being reviewed to determine if they should be returned or canceled.

Implementation Date: December 2012

Findings #7

Description: That separate bank accounts be opened for escrow accounts with balances over \$5,000.

Analysis: The Township has some escrow accounts that are in excess of \$5,000.00 and according to state law they should be set up in their own separate account.

Correction Action: A separate bank account should be set up for any escrow account in excess of \$5,000.00 so that interest on that account can be tracked.

Implementation Date: December 2012

Findings #8

Description: That old grant receivable and reserve balances be reviewed and be collected, spent or canceled.

Analysis: There are a number of old grants that need to be reviewed and evaluated to see if they can be canceled or spent and if the receivables will be collected.

Corrective Action: The finance office is in the process of researching the old grant receivable and reserve balances to see if the receivables can be collected and if the grant balances can either be spent or must be canceled.

Implementation Date: December 2012

Findings #9

Description: That receivable balances in the General Capital Fund be reviewed and the proper action be taken.

Analysis: There are some receivable balances for grants in the General Capital fund that need to be reviewed to see if they can be collected.

Corrective Action: The grants in the General Capital Fund need to be reviewed to see if the receivable balances can be collected, if not then the receivables should be canceled.

Implementation Date: December 2012

Findings #10

Description: That a functioning formal general ledger be maintained.

Analysis: There is no formal general ledger that is being maintained by the finance department.

Corrective Action: A functioning formal general ledger will be set up and maintained for all funds.

Implementation Date: January 2013

Findings #11

Description: That the payroll bank account be reconciled on a monthly basis.

Analysis: The payroll bank account was not reconciled in a timely fashion, monthly.

Corrective Action: The payroll bank account will be reconciled monthly.

Implementation Date: December 2012

Findings #12

Description: That all employees required to be enrolled in the DCRP be enrolled.

Analysis: All employees that were required to be enrolled in the DCRP were not enrolled in a timely fashion.

Corrective Action: All employees eligible for DCRP will be enrolled in DCRP in a timely fashion.

Implementation Date: April 2012

Findings #13

Description: That payments to the PERS and PFRS be made on time.

Analysis: During 2011 there was one month when the payments for the PERS and PFRS monthly contributions was not made on time.

Corrective Action: All payments for PERS and PFRS will be made in a timely fashion, monthly.

Implementation Date: January 2012

Findings #15

Description: That Political Disclosure forms be obtained from all vendors required to submit them.

Analysis: All Political Disclosure forms were not on file for all vendors that required them.

Corrective Action: All vendor files should be reviewed and if a Political Disclosure form is required one will be obtained.

Implementation Date: July 2012

Monica Goscicki, Chief Financial Officer