

Township of West Milford

Passaic County, New Jersey

~ Resolution 2013 – 278 ~

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, 2012 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 2012 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 2012 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:

Adopted this 18th day of September, 2013
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, 2012**

Findings #1

Description: That all payroll hand checks be entered into the payroll system.

Analysis: There was one payroll hand check that was issued in 2012 that was not entered into the payroll system until 2013.

Corrective Action: All payroll hand checks will be tracked and entered into the payroll system on the following payroll.

Implementation Date: August 2013

Findings #2

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

Analysis: The fixed assets for the Township had not been updated since 2007.

Corrective Action: A full fixed asset inventory was completed as of May 2013 and all additions and deletions will be made annually.

Implementation Date: May 2013

Findings #3

Description: That the cash deficits for ordinances over five years old and deferred charges to future taxation – unfunded balances over 5 years old, where the projects have been completed continue to be funded in future 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 continue to be funded in future year's budgets..

Implementation Date: August 2013

Findings #4

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

Analysis: The Township has a number of old escrow and trust reserve balances that need to be reviewed so they can either be returned or canceled

Corrective Action: The finance and planning departments are in the process of reviewing these balances to determine if they should be returned or canceled.

Implementation Date: August 2013

Findings #5

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 2013

Findings #6

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 2013

Findings #7

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 2013*

Findings #8

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 new finance software system was implemented in January 2013 and a functioning formal general ledger will be maintained.*

Implementation Date: *December 2013*

Findings #9

Description: *That the actuarial report for the Township's Other Post Employment Benefits contribution be available for audit.*

Analysis: *The Other Post Employment Benefits report should be completed once every 3 years and available for the audit.*

Corrective Action: *The Other Post Employment Benefits report will be completed and available for the auditors at 12/31/2013*

Implementation Date: *December 2013*

Findings #10

Description: *That a policy be put in place to collect Police outside duty escrow before the start of the job.*

Analysis: *Before a police outside duty job is started an escrow account should be set up with funds deposited from the applicant to pay for the anticipated expenses.*

Corrective Action: *A policy is going to be instituted for Police outside duty and an escrow account will be set up for these jobs.*

Implementation Date: *September 2013*

Monica Goscicki, Chief Financial Officer