

RESOLUTION APPROVING THE 2017 AUDIT CORRECTIVE PLAN FOR THE TOWNSHIP OF WEST ORANGE

WHEREAS, In accordance with the Single Audit Act, U.S. Office of Management and Budget Circular A-128 and the New Jersey office of Management and Budget Circular Letter 93-05, and regulations of the Division of Local Government Services, all municipalities are required to prepare and file a Corrective Action Plan, and

WHEREAS, this plan must be filed with the Division within 60 days from the date the statutory audit is received by the governing body, and

WHEREAS, such a plan was prepared by the Chief Financial Officer and reviewed by the members of the governing body of the Township of West Orange,

NOW THEREFORE BE IT RESOLVED, that the Township of West Orange 2017 Corrective Action Plan, attached hereto, be approved by the governing body of the Township of West Orange and filed with the Division of Local Government Services.

Karen J. Carnevale, R.M.C
Municipal Clerk

Susan McCartney
Council President

Adopted: July 17, 2018

2017 Audit Corrective Action Plan

Purchasing

FINDING: During our internal control testing over cash disbursements, we identified several instances in which the Township did not properly encumber funds prior to placing an order with a vendor for the procurement of goods or services. This was mainly the result of departments not following Township procedures in the ordering of goods and services.

RECOMMENDATION: It is recommended that the Township properly encumber funds prior to procuring goods and/or services.

EXPLANATION: A number of departments have on occasion, not been compliant with the Township's Purchasing Manual procedures, making purchases prior to obtaining a purchase order.

CORRECTIVE ACTION PLAN: The Township will institute additional internal controls to monitor such activity, provide training to employees to prevent such violations in the future and consider disciplinary action for those that are not compliant with this requirement.