

RESOLUTION

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 2012 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
Municipal Clerk

Susan McCartney
Council President

Adopted: December 17, 2013

CORRECTIVE ACTION PLAN

Township of West Orange
County of Essex
Audit Report Year 2012

COMMENTS AND RECOMMENDATIONS
December 31, 2012

CAPITAL FUND

Finding #1: Green Acres matching grant receivable on Ordinance #1992-04 of \$103,270.02 has been carried for a number of **years** as well as grants from the West Orange Board of Education totaling \$286,666.70.

Recommendation for Finding #1 : These receivables should be reviewed in order to determine its collectability.

Corrective Action: All grant receivables will be reviewed to determine collectability.

Implementation Date: January 1, 2014

VOUCHER TESTING

Findings #2: During voucher testing various exceptions were noted including the use of **confirming orders**, inadequate authorization signatures on purchase orders, lack of quotes, non-issuance of 1099's and documentation of vendors' political contributions.

Recommendation for Finding #2 : All applicable purchasing guidelines and Local Public Contracts Laws should be adhered to.

Explanation: During the conversion of the finance software systems, certain requirements were discovered to be deficient and others were not properly documented.

Corrective Action: All applicable purchasing guidelines and Local Public Contracts Laws will be adhered to and documented.

Implementation Date : This corrective action has been accomplished as of January 1, 2013 with the completion of the Finance Department software system transition.

DEPARTMENT TESTING

Finding: #3 Construction Code ; There were differences noted during testing of the cash receipts. One difference of \$5,897 was noted between the department cash receipt and the computer generated reportingsystem . The second difference in the amount of \$1,160 was between the computer and theTreasurer's revenue report. Staff could not explain these differences.

Finding #4: RECREATION: There were differences noted during testing of the cash receipts. There were differences of \$885 and \$2,304 noted between cash receipts books and the treasurer's revenue report for thePool and Recreation Departments. Staff could not explain these differences.

Finding #5: HEALTH AND VITAL STATISTIC ST There were differences noted during testing of the cash receipts. There was a difference of \$5,174 noted between cash receipts books and the treasurer's revenue report. Staff could notexplain these differences. Additionally, funds were not turner over within forty-eight hours.

Recommendation for Findings #3,4 & 5 : Greater care should be taken when inputting cash receipts into the computersystem. All revenue reports should be reconciled and agreed on a monthly basis. All depositsshould be made within forty-eight hours.

Explanation: During the conversion of the finance software systems, certain cash receipts original book of entry processes were discovered to be deficient. However, all recorded cash receipts have been accounted for.

Corrective Action: All revenue reports are being reconciled will be reconciled and agreed on a monthly basis. Cash receipts will be deposited within 48 hours of receipt.

Implementation Date: No later than January 1, 2014

POLICE OUTSIDE SERVICES

Finding #6: It was observed that police officers were being paid for outside work before vendors were being billed and funds were being collected.

Recommendation for Finding #6 : Police officer should be paid for outside work subsequent to the vendors beingbilled and funds received.

Explanation: Police officers are paid when work is performed in accordance with the Fair Labor Standards Act. These jobs have not historically been help up until payment is made by the contractor or utility companies in order to facilitate the efficient completion of what is mostly categorized as emergency street openings.

Corrective Action: All processes will be reviewed for compliance with statutes and Township Ordinances.

Implementation Date: January 1, 2014