

RESOLUTION
of the
BOROUGH OF NEW PROVIDENCE
Resolution No. 2011-268

Council Meeting Date: 10-10-2011

Date Adopted: 10-10-2011

TITLE: RESOLUTION APPROVING CORRECTIVE ACTION PLAN REQUIRED
AS PART OF THE ANNUAL AUDIT

Councilperson Galluccio submitted the following resolution, which was duly seconded by Councilperson Lesnewich.

WHEREAS, the Local Finance Board of the State of New Jersey has promulgated a regulation requiring that a Corrective Action Plan be prepared as part of the annual audit process; and

WHEREAS, Local Finance Notice 92-15 required that this plan be prepared by the Chief Financial Officer and approved by the Governing Body.

NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of New Providence, County of Union and State of New Jersey that they hereby approve the Corrective Action Plans for the year 2010, a requirement of the annual audit, prepared by the Chief Financial Officer and which is attached hereto and made part of this resolution.

APPROVED, this 10th day of October, 2011.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
CUCCO	X			
GALLUCCIO	X			
GENNARO	X			
LESNEWICH	X			
MUÑOZ	X			
VYZAS	X			
HERN			TO BREAK COUNCIL TIE VOTE	

I hereby certify that the above resolution was adopted at a meeting of the Borough Council held on the 10th day of October, 2011

Wendi B. Barry, Borough Clerk

BOROUGH OF NEW PROVIDENCE

CORRECTIVE ACTION PLAN FOR THE 2010 AUDIT REPORT

Recommendation #1:

Description: That all purchase orders be issued prior to goods/services being received.

Analysis: Most of the incidents referenced by the auditors were with the Department of Public Works having to do with maintenance and repairs.

Corrective Action: All Department Heads will be reminded to issue Purchase Orders prior to having any maintenance work or service performed – even if it is an estimate.

Implementation Date: This action will be completed by the end of the first quarter of 2012.

Recommendation #2:

Description: That the Construction Code Office cash book be accurately maintained.

Analysis: The monthly bank statements did not balance with the cash receipts book on several occasions.

Corrective Action: The staff of the Construction Code office will exercise greater care and diligence in maintaining their cash receipts records and the Construction Code Officer will monitor their performance.

Implementation Date: This action will be completed immediately.

Recommendation #3:

Description: That the records for the General Fixed Asset Group of Accounts be accurately maintained.

Analysis: There were several instances where pieces of old Public Works equipment was sold but not reflected and several computer units were purchased and not recorded.

Corrective Action: The staff will ensure that all fixed assets are properly recorded.

Implementation Date: This action will be completed by the end of the third quarter of 2011.

Recommendation #4:

Description: That the funds be appropriated for the employer's share of the State Unemployment Insurance liability and all payments be submitted on a timely basis.

Analysis: The Borough's State Unemployment Trust Fund has been depleted and now contributions are outpacing the rate of claims. Additionally, there was a lag in receiving signed vouchers from the State for payments to be made.

Corrective Action: Funds will be appropriated for State Unemployment Insurance in the 2012 Operating Budget. Also, we will rely on the state's invoice as the claimant certification and immediately process payments.

Implementation Date: This action will be completed for the 2012 budget and the payment process will begin immediately.