

RESOLUTION
of the
BOROUGH OF NEW PROVIDENCE
Resolution No. 2014-293

Council Meeting Date: 08-11-2014

Date Adopted: 08-11-2014

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

Councilperson Madden submitted the following resolution, which was duly
seconded by Councilperson Munoz.

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 2012, 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 11th day of August, 2014.

RECORD OF VOTE

	AYE	NAY	ABSENT	NOT VOTING
GALLUCCIO	X			
GENNARO			X	
KAPNER	X			
MADDEN	X			
MUÑOZ	X			
ROBINSON	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 11th day of August, 2014.

Wendi B. Barry, Borough Clerk

BOROUGH OF NEW PROVIDENCE

CORRECTIVE ACTION PLAN FOR THE 2012 AUDIT REPORT

***Recommendation #1:**

Description: That the Fixed Asset Accounting records be updated for additions and deletions.

Analysis: Due to retirement of individual who maintained these records, there was a lapse in keeping information current.

Corrective Action: A new fixed asset accounting review was implemented in 2013.

Implementation Date: This action was completed and updated in 2013.

Recommendation #2:

Description: That purchases not be made prior to purchase order approval.

Analysis: A few departments were executing the purchases during the purchase order approval process..

Corrective Action: All Department Heads will be reminded to wait for approved Purchase Orders.

Implementation Date: This action will be completed by the end of the third quarter of 2013.

***Recommendation #3:**

Description: That the Borough Attorney not be compensated through payroll salary.

Analysis: When these positions were eligible for participation in the state's pension funds, they received regular payroll payments. Now that the law changed, they no longer participate in the state pension fund but have been receiving their compensation via payroll.

Corrective Action: The Borough Attorney has reviewed the statues and has advised the Borough Administrator that there is no legal prohibition to being paid through payroll salary – as long as not pension deductions were taken.

Implementation Date: This action was not implemented in 2013 based on the advise of Counsel.

Recommendation #4:

Description: The certification of availability of funds for contracts be prepared.

Analysis: Certifications of Availability of Funds is required for all contracts.

Corrective Action: The Clerk's Office will implement a new procedure in order to comply in a more timely fashion.

Implementation Date: This action will be completed by the end of the fourth quarter of 2013.

***Recommendation #5:**

Description: That Division of Local Government Services approval be requested for Other Trust Reserve Accounts that have not been previously approved.

Analysis: The Borough maintains dedicated trust and escrow accounts. Several have not been approved by the Division of Local Government Services.

Corrective Action: Resolutions will be submitted for Council action to request the Division of Local Government Services approve these dedicated trust and escrow accounts.

Implementation Date: This action will be completed by the end of the third quarter 2013.

*Previous year's recommendation