

**A RESOLUTION ACCEPTING THE CORRECTIVE
ACTION PLAN IN RESPONSE TO THE 2018 AUDIT**

BE IT RESOLVED, by the Township Council of the Township of Aberdeen, County of Monmouth, State of New Jersey, that the following Corrective Action Plan be adopted in response to the 2018 audit findings:

Financial Administration

Finding 01:

The general ledger was incomplete at the time of audit. There were subsidiary ledgers that were not properly reconciled to control totals at the time of audit. There were revenues and expenditures that were charged/credited to inappropriate accounts.

Recommendation:

Internal controls over the preparation and fair presentation of financial statements in accordance with the accounting principles promulgated by the Division of Local Government Services should be reviewed and revised as needed to reasonably ensure the accounting policies of the governing body and those of the Division of Local Government Services are being carried out as intended.

Explanation and Corrective Action:

Findings have been reviewed and corrective actions will be taken.

Finding 02:

There were expenditures without authorization related to the projects funded by the NJ Water Bank Short Term Loan.

Recommendation:

Management should design, implement and monitor a system of internal controls that will reasonably assure compliance with the statutes governing the authorization of payment.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken.

Finding 03:

All interfunds should be liquidated prior to year end.

Recommendation:

All interfunds should be liquidated prior to year end.

Explanation and Corrective Action:

Findings have been reviewed and corrective actions will be taken.

Finding 04:

The following was noted during our testing of cash disbursements/expenditures:

1 of 33 P.O.'s did not have an invoice

1 of 33 P.O.'s was not dated prior to the attached invoice.

Recommendation:

Sufficient documentation should be available for examination at the time of audit for all expenditures. All expenditures must be encumbered prior receipt of goods or services in accordance with the requirements of state statutes.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken.

Finding 05:

There was an over expenditure of the capital improvement fund.

Recommendation:

The capital improvement fund should be adequately funded to provide for the funding required by the account.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken.

Finding 06:

The Township does not record agency activity separately in the general ledger. All agency payable activity is recorded in a reserve for Agencies/3rd party account (#40-299-55).

Recommendation:

That all agency payable activity be recorded in a separate general ledger account (per review of the general ledger the accounts are set up but not utilized).

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken.

Finding 07:

The Township does not have an approved dedication by rider for D.A.R.E, Tax TTL Redemptions, and Tax Collector's TTL Premiums.

Recommendation:

The state requires that an approved dedication by rider be on file for all trust accounts with certain exceptions.

Explanation and Corrective Action:

D.A.R.E. is old and will be liquidated. TTL do not need a dedication by rider.

Recreation

Finding 08:

Two out of five receipts were not deposited within 48 hours.

Recommendation:

All receipts should be deposited within 48 hours.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken. Memo sent and department head advised staff.

Police Department

Finding 09:

The records of the Police Department were not kept in sufficient detail to test individual receipts. Also, based on discussion with management, receipts are not necessarily deposited within 48 hours of receipt.

Recommendations:

It is our recommendation that internal controls be properly designed to reasonable assure the cash receipt function within the police report department is being administered as required by the Division of Local Government Services, DCA.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken. Memo sent to department head and staff was advised.

Municipal Court

Finding 10:

There were 165 tickets assigned to officers but not issued and were outstanding beyond 181 days at the time of audit.

Recommendation:

Internal controls should be modified to assure that assigned tickets can be administered as per the administrator of the courts.

Explanation and Corrective Action:

Findings have been reviewed and corrective action will be taken. Memo sent and department head made corrections.