



THE MAYOR AND BOROUGH COUNCIL
of the
BOROUGH OF GLEN RIDGE
County of Essex
State of New Jersey

Monday, September 12, 2022

RESOLUTION NO. 126-22

Offered by Councilor **MORROW**
Seconded by Councilor

APPROVING THE CORRECTIVE ACTION PLAN FOR THE 2021 MUNICIPAL AUDIT

WHEREAS, the Borough of Glen Ridge has received a report of audit for the year ending December 31, 2021; and

WHEREAS, Local Finance Notice No.92-15 dated July 8, 1992 requires that the Chief Financial Officer submits a Corrective Action Plan for all findings in the audit within 60 days of receipt of the Report of Audit; and

WHEREAS, the Chief Financial Officer has prepared a Corrective Action Plan relating to the findings of the 2021 Audit;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Glen Ridge, in the County of Essex, New Jersey, does hereby approve the Corrective Action Plan for the year 2021 as submitted by the Chief Financial Officer.

BE IT FURTHER RESOLVED that the Borough Clerk is hereby directed to forward a copy of this resolution and the Corrective Action Plan to the Director of the Division of Local Government Services.

I, Tara Ventola, Municipal Clerk of The Borough of Glen Ridge, in The County of Essex and in The State of New Jersey, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by The Mayor and The Borough Council on Monday, September 12, 2022.

Tara Ventola
Municipal Clerk

**CORRECTIVE ACTION REPORT
BOROUGH OF GLEN RIDGE
2021 Audit Report**

Finding #1 Animal Control Fund:

Description: Animal control receipts and animal control licenses recorded in the monthly reports submitted to the State of New Jersey revealed an immaterial difference from the posting made in the software system. It was noted during testing that license numbers reported by the animal control department did not align with the sequential license numbers submitted to the State of New Jersey.

Analysis Animal Control Fund reports were not submitted to the State of NJ on a monthly basis. The reports were submitted by year end. Additionally, the internal records should be reconciled with the data submitted to the State of New Jersey.

Corrective Action The Municipal Clerk will review the submission of the Animal Control Fund monthly reports and take corrective action on any reconciliation differences prior to the submission each month. Reports will be submitted monthly to ensure an accurate reporting.

Implementation Date August 2022

Finding #2 Purchase Order System:

Description Accounting practices prescribed by the Division of Local Government Services require the Borough expenses to follow an encumbrance accounting system. Purchase made prior to encumbrance of the funds can result in overexpenditure of a budget line.

Analysis Transaction testing found purchases for which the invoice date was prior to the date of the purchase order. Occasionally, instances arise for which items must be purchased through verbal approval prior to entering into the formal requisition system. The need these types of approvals have been required due to the COVID pandemic and supply chain issues.

Corrective Action The Borough has widened its use of blanket purchase orders for reoccurring purchases and vendors. All purchases are reviewed prior to final expenditure of funds and the budget is monitored thoroughly to avoid overexpenditures.

Implementation Date Ongoing