



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

Monday, August 14, 2023

RESOLUTION NO. 130-23

Offered by Councilor **MANS**
Seconded by Councilor

APPROVING THE CORRECTIVE ACTION PLAN FOR THE 2022 MUNICIPAL AUDIT

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions; and

WHEREAS, the Annual Report of Audit for the year 2022 has been filed by a registered accountant with the Borough Clerk as per the requirements of N.J.S.A. 40A:5-6, a copy has been received by each member of the Governing Body; and

WHEREAS, in accordance with regulation promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regards to the municipal audit findings; and

WHEREAS, the Corrective Action Plan must be approved by formal resolution of the Mayor and Council;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Glen Ridge, as follows:

1. That the Corrective Action Plan, which is attached hereto, as it relates to the 2022 Municipal Audit is hereby approved; and
2. That the Borough Clerk shall forward one (1) certified copy of this resolution to 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, August 14, 2023.

Tara Ventola
Municipal Clerk

CORRECTIVE ACTION REPORT
BOROUGH OF GLEN RIDGE
2022 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 accurate reporting.

Implementation Date August 2023

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 over expenditure 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 over expenditures.

Implementation Date Ongoing