



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

Monday, October 25, 2021

RESOLUTION NO. 135-21

Offered by Councilor **HUGHES**
Seconded by Councilor

APPROVING THE CORRECTIVE ACTION PLAN FOR THE 2020 MUNICIPAL AUDIT

WHEREAS, the Borough of Glen Ridge has received a report of audit for the year ending December 31, 2020; 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 2020 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 20120 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.

CORRECTIVE ACTION REPORT
BOROUGH OF GLEN RIDGE, ESSEX COUNTY

Audit 12/31/2020

Finding #1 That Purchase Order requisitions be made prior to the purchase of goods or services.

Description Accounting practices prescribed by the Division of Local Government Services require Borough expenses to follow an encumbrance accounting system. Purchases made prior to proper encumbrance of the funds can result in an 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 for these types of purchases was more frequent in 2020 due to the COVID pandemic.

Corrective Action The Borough will continue to communicate the adopted purchasing policies with and educate the various department heads with public purchasing best practices.

Implementation Date July 2021