

TOWNSHIP OF WASHINGTON
BERGEN COUNTY, NEW JERSEY

RESOLUTION No. 17-280

CORRECTIVE ACTION PLAN 2016 AUDIT

WHEREAS, the 2016 Annual Audit of the Township of Washington, conducted by Louis C. Mai CPA & Associates, Certified Public Accountants, contained certain recommendations requiring action; and

WHEREAS, these recommendations have been reviewed by the Chief Financial Officer; and

WHEREAS, Local Finance Notice CFO-97-16 issued November 19, 1997 by the Division of local Government Services requires that all municipalities prepare and submit a Corrective Action Plan as part of the annual audit process; and

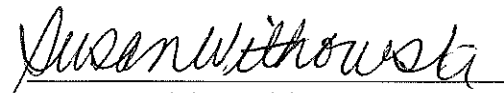
WHEREAS, the Chief Financial Officer, in accordance with the requirements promulgated by the New Jersey Division of Local Government Services, has developed a Corrective Action Plan to address the findings and recommendations listed by the auditors for approval by the governing body within sixty (60) days of receipt of the audit report received June 28, 2017; and


NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Washington, Bergen County, New Jersey, that the Corrective Action Plan for the 2016 Annual Audit, hereto attached, is hereby approved and accepted; and

BE IT FURTHER RESOLVED that the Township Clerk is hereby directed to transmit a certified copy of this resolution and its attachments to the Director of the Division of Local Government Services.

ATTEST:

APPROVED:
TOWNSHIP COUNCIL OF THE
TOWNSHIP OF WASHINGTON


Susan Witkowski
Township Clerk

BY 
Robert Bruno
Council President

DATED: August 21, 2017

MOTION		SECOND		COUNCIL	AYES	NAYES	ABSTAIN	ABSENT
Bruno		Bruno		Bruno	X			
Calamari		Calamari		Calamari	X			
Cascio		Cascio	X	Cascio	X			
Sears		Sears		Sears	X			
Ullman	X	Ullman		Ullman	X			

Corrective Action Plan

2016 Audit

Name of Municipality: Township of Washington

County: Bergen

Date of Audit Report: December 31, 2016

Date Report is Received: June 28, 2017

Finding Number: 1

Description: Prior years' open purchase orders should be reviewed for validity and action be taken to clear of record where appropriate.

Corrective Action: At the end of each quarter in the calendar year, purchase orders drawn on the Current Fund in prior calendar year(s) will be reviewed by the purchasing department to identify any purchases orders that do not have open items. Any such purchase orders will be closed.

Implementation Date: September 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	2
Description:	The general ledgers be reconciled to the respective subsidiary ledgers and records monthly.
Corrective Action:	Upon hire of CFO February of 2017, subsidiary ledgers have been reconciled to general ledger on a monthly basis.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	3
Description:	Grant receivables in the General Capital Fund be reviewed for collectability.
Corrective Action:	Grant receivable balances will be reviewed annually and proper documentation will be provided to the appropriate agencies to receive payment or receivables that are not to be collected will be cancelled by resolution.
Implementation Date:	September 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	4
Description:	Inactive miscellaneous and appropriated grant reserves be expended or cancelled.
Corrective Action:	Appropriated grant reserves will be reviewed annually and expended or if the grant work is complete with no further expenditures the appropriated grant reserves will be cancelled by resolution.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	5
Description:	The building department should properly prepare its monthly bank reconciliations and not have signed checks which are payable to the township with amounts not completed.
Corrective Action:	A meeting will be held with the Building Department Staff to review the procedures regarding bank reconciliations and proper check handling. Periodic checks will be made to ensure adherence.
Implementation Date:	September 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	6
Description:	Fire Prevention money for registration fees received by mail should be opened and deposited in less than 48 hours of receipt.
Corrective Action:	New procedures have been put into place for prompt opening of Fire Prevention's mail and deposits made upon receipt.
Implementation Date:	July 31, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	7
Description:	Employees paid by voucher for clothing allowance and other services should be paid through payroll.
Corrective Action:	All employees who are members of the Fire Department and entitled to a clothing allowance will be paid through the payroll system.
Implementation Date:	June 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	8
Description:	The recreation department should not accept credit card payments over the phone.
Corrective Action:	The recreation department no longer accepts credit card payments over the phone.
Implementation Date:	June 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	9
Description:	Fees for ecology permits should be collected in accordance with the township code.
Corrective Action:	Staff have been educated on Township Code to ensure the proper administration of fees.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	10
Description:	The police department should prepare bank reconciliations of its account and deposit gun permits and fire arm ID fees within 48 hours of receipt.
Corrective Action:	A meeting will be held with the Police Chief to review the procedures regarding bank reconciliations and the 48 hour cash receipts rule. Periodic checks will be made to ensure adherence.
Implementation Date:	September 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	11
Description:	The hourly rate salary paid to the township attorney for additional services should be charged to a salary budget line item rather than the other expense line item. This resulted in an over-expenditure of the salary and wages line item.
Corrective Action:	The budget that was adopted for 2017 treated the payment of hourly rate salary in the same manner. The Township will seek to amend its budget to re-allocate such expenses to the salary and wage line item.
Implementation Date:	November 30, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	12
Description:	Federal form I-9 proving citizenship should be completed for employees before hiring.
Corrective Action:	I-9 forms have been obtained prior to the start of employment for every new employee hired after January 11, 2016 when the new Administrator started. I-9 forms were completed by employees hired prior to that date in the end of 2016.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	13
Description:	The senior citizen supplemental income statements should be approved by the Tax Collector.
Corrective Action:	Upon hire of Tax Collector in February of 2017, supplemental income statements have been approved by the Tax Collector upon receipt.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	14
Description:	The payroll checking account balance of \$7,724 should be analyzed and reduced to a zero balance.
Corrective Action:	The Finance office will identify any outstanding balances, and zero out the Payroll Checking Account accordingly.
Implementation Date:	December 31, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	15
Description:	Cat licenses should be deposited in the Current Fund rather than the dog trust fund.
Corrective Action:	The Clerk's Office has implemented a new procedure, all Cat License Fees will be deposited into Current Fund.
Implementation Date:	July 1, 2017

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	16
Description:	The planner and a general outside counsel bills should be correctly encumbered.
Corrective Action:	The Council will promptly approve transfers to fund planner and outside counsel bills that have been authorized and approved.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality:	Township of Washington
County:	Bergen
Date of Audit Report:	December 31, 2016
Date Report is Received:	June 28, 2017
Finding Number:	17
Description:	Administrator or CFO review of payrolls should be documented.
Corrective Action:	In 2017, a new payroll clerk was hired to handle payroll preparation; the review and approval by the Business Administrator is documented.
Implementation Date:	Ongoing

Corrective Action Plan

2016 Audit

Name of Municipality: Township of Washington

County: Bergen

Date of Audit Report: December 31, 2016

Date Report is Received: June 28, 2017

Finding Number: 18

Description: Municipal Court:

Receipts should be disbursed by the 15th of the subsequent month.

The general account overage of \$1,310 be cleared.

The bank is charging service charges should be reversed or reimbursed by the Current Fund.

Bail deposited and entered into the ATS/ACS system.

Violation schedules should be posted where fines are to be paid.

The reconciled bail account should agree to the cash bail on hand per the cashbook.

The old bail subject to action in the bail account should be reviewed and cleared.

Corrective Action: A Court Administrator was hired in 2017 and is addressing the above-mentioned issues in the Court Department. A meeting will be held to reinforce disbursements be made in a timely fashion, and that procedures are in place for the handling of cash receipts and entries into the ATS/ACS system. The accounts will be reconciled, overages cleared and fees reimbursed. An analysis will be done on the bail account for any items that can be cleared.

Implementation Date: December 31, 2017