



TOWNSHIP OF BORDENTOWN
BURLINGTON COUNTY, NEW JERSEY

TOWNSHIP COMMITTEE:

Stephen Benowitz, *Mayor*
Eugene Fuzy, *Deputy Mayor*
James Cann, *Committeeman*
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2017 CORRECTIVE ACTION PLAN

Finding No. 2016-001

Condition: Our audit of employee benefits revealed that several employee's health benefit deductions were not calculated in accordance with Chapter 78, L.2011.

Corrective Action: The CFO did an internal audit of the 2017 health benefit deductions and noted any differences in what deductions were being taken compared to the CH. 78 calculations. Employees who had differences were notified that adjustments would be made to correct the deductions and these adjustments went into effect 6/1/17.

Finding No. 2016-002

Condition: The township failed to reconcile the court's regular and bail accounts in a timely manner.

Corrective Action: The Court Administrator and CFO have been given access to the online bank statements and have the ability to print out statements which the CFO currently distributes to the department heads at the beginning of the month.

Finding No. 2016-003

Condition: The Township's general fixed asset record did not include a majority of assets that were purchased in 2016, as required by N.J.A.C. 5:30-5.6

Corrective Action: The CFO will have Acclaim Inventory, LLC (the company providing Fixed Asset Inventory) do a final 2017 report, removing all assets under the Federal Limit of \$5,000. Once completed Fixed Asset Management will be brought in-house and all Purchases over \$5,000 will be submitted to the finance department for recording in the inventory.

Finding No. 2016-004

Condition: N.J.A.C. 5:30-5.2 requires the Township to maintain an encumbrance accounting system for all funds. During our audit, we noted that there was a breakdown in the internal controls related to the Township's encumbrance accounting system that resulted in encumbrances not being recorded, recorded for incorrect amounts and lacking proper supporting documentation.

Corrective Action: The CFO has re-organized the Finance Department to make accessing all Purchase Orders more assessable and trackable. The CFO will research all old encumbrances for accuracy and status and work towards either correcting the errors on these encumbrances, or making sure they get paid in a timely manner moving forward. Funds will not be encumbered without appropriate supporting documentation that will be filed with the Purchase Orders.

Finding No. 2016-005

Condition: During our audit, we noted that there was a breakdown in the internal controls over the Township's voucher and payment processes resulting in vouchers/invoices not being available for audit. Retention of Records is required by N.J.S.A. 40A5-17.

Corrective Action: The finance department and all payment vouchers have been filed together in an easily assessable location for storage. There will not be multiple locations for retention of payment vouchers, as a result vouchers should not be missing on the next audit.