

RESOLUTION NO.26-2015

CORRECTIVE ACTION PLAN FOR 2013 ANNUAL AUDIT

Councilmember Leckstein introduced and offered for adoption the following Resolution, seconded by Councilmember Kelly:

WHEREAS, the Borough Council previously accepted the Borough of Sea Bright 2013 Annual Audit by resolution no. 176-2014 on November 17, 2014, and

WHEREAS, the various Departments within the Borough have reviewed the comments and recommendations portion of said 2013 audit and submitted a Corrective Action Plan to the Chief Financial Officer and Borough Council.

NOW, THEREFORE, BE IT RESOVED, that the Corrective Action Plan of the Borough of Sea Bright for 2013 Annual Audit be and is hereby accepted and is authorized for submission to the Division of Local Government Services.

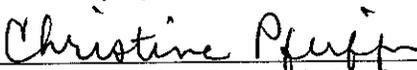
BE IT FURTHER RESOLVED, that two certified copies of the resolution be forwarded to the Division of Local Government Services and the Chief Financial Officer.

Roll Call: Bills, Keeler, Kelly, Lamia, Leckstein, Rooney
Yes Yes Yes Yes Yes Yes

January 3, 2015

CERTIFICATION

I, Christine Pfeiffer, Borough Clerk do hereby certify that the foregoing is a Resolution adopted by the Borough Council of the Borough of Sea Bright, County of Monmouth, State of New Jersey, at a Council meeting held on January 3, 2015.



Christine Pfeiffer, Borough Clerk

**Corrective Action Plan in Response to 2013 Audited Financial Statement
Borough of Sea Bright
Michael J. Bascom, Chief Financial Officer**

Comment / Recommendation	Explanation	Corrective Action	Employee Responsible to Institute Corrective Action	Date of C.A.
<u>Payroll Fund:</u> It was noted during our audit that the State incorrectly billed the Borough for the health cost of an employee of another agency.	The State billed the Borough of Sea Bright for an employee of another town. When it was noticed by the Borough, the state issued a credit and corrected the billing.	All benefits bills will be reconciled monthly by the Finance Manager to ensure that only active employees and Borough retirees are included on the bill.	Ana Debevec Finance Manager	1/1/15
<u>Payroll Fund:</u> It was noted during our audit that employees contributed in excess the amount required as set forth by Pension and Health benefits Reform law, Chapter 78.	The Police Chief was billed in excess of the amount he should have been for health benefits. The Finance Manager and the Police Chief agreed to correct the overpayment by reducing contributions in the subsequent year.	The Finance Manager will review and correct all employee contributions to ensure that the proper contribution is being deducted from their pay.	Ana Debevec, Finance Manager	1/1/15
<u>Payroll Fund:</u> It was noted during our audit that the May and June pension payments weren't remitted in a timely manner.	The Finance Manager was unable to complete the pension reports in a timely manner due to workload and lack of manpower in the office.	The Finance Manager will remit monthly pension reports in a timely manner.	Ana Debevec, Finance Manager	1/1/15
<u>Municipal Court:</u> It was noted during our audit that the bank reconciliation for the Bail Account didn't reconcile to the system.	The Bail Account does not reconcile to the computerize accounting system.	The Court Administrator and the new Fiscal Officer will identify the issue and resolve it. In the future, the reconciliation will be proven against the accounting system.	Court Administrator Fiscal Officer	1/1/15
<u>Finance / Beach:</u> It was noted during our audit that beach receipts are not being turned over for deposit in a timely manner.	The Beach Manager did not turn all receipts over for deposit within 48 hours as required.	All receipts will be turned over for deposit on a daily basis.	Beach manager	1/1/15
<u>Finance / Beach:</u> It was noted during our audit that the Borough could not provide complete documentation for certain receipts and expenditures including deposit slips, vouchers, and invoices.	The Finance Manager and Tax Collector were unable to locate certain documents at the time of the audit.	The Finance Manager and Tax Collector will fully cooperate with the Auditors and will address filing deficiencies to ensure that all documents can be located when requested.	Ana Debevec, Finance Manager Patricia Spahr, Tax Collector	1/1/15
<u>Finance / Administration:</u> It was noted during our audit that the Borough could not provide an accurate listing of Capital Asset deletions.	The Borough did not update the Capital Asset Report to remove items that have been sold or destroyed.	The Capital Asset Report will be updated and properly maintained.		1/1/15
<u>Finance:</u> It was noted during our audit that the Borough had multiple invoices not recorded in their system related to the Builder's Escrow Trust.	The Borough failed to record invoices that were submitted.	All invoices are to be recorded and processed in a timely manner. The Planning Board Secretary will work with the Finance Manager and Fiscal Officer to ensure that sufficient funds are collected to pay bills from the Developer's Escrow Accounts.	Ana Debevec, Finance Manager Planning Board Secretary	1/1/15