

June 28, 2011

CORRECTIVE ACTION PLAN

Mayor Schreck offered the following resolution and moved its adoption:

WHEREAS, the 2010 audit was received by the Mayor and Council of the Borough of Bradley Beach; and

WHEREAS, certain comments and recommendations were made in the 2010 audit and are attached hereto and made part hereof as schedule "A"; and

WHEREAS, a corrective action plan has been submitted to the Business Administrator of the Borough of Bradley Beach and is attached hereto and made part hereof as schedule "A"; and

WHEREAS, it is the desire of the Mayor and Council of the Borough of Bradley Beach to implement the corrective action plan in response to comments and recommendations contained in the 2010 Audit Report.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Bradley Beach, County of Monmouth and State of New Jersey as follows:

1. That the Mayor and Council have implemented the corrective action plan filed by the Chief Financial Officer in order to comply with the comments and recommendations as set forth in the 2010 Audit.
2. That a certified copy of this resolution shall be forwarded to the Division of Local Government Services, the Borough Administrator, Chief Financial Officer, Assistant Chief Financial Officer and the Borough Auditor.

Seconded by _____ and adopted on roll call by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

CERTIFICATION

I, Mary Ann Solinski, Municipal Clerk, Borough of Bradley Beach, Monmouth County, New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Mayor and Council at the June 28, 2011 meeting.

MARY ANN SOLINSKI, RMC, CMC
Municipal Clerk

SCHEDULE A

June 22, 2011

Mr. Thomas Neff, Director
Division of Local Government Services
Department of Community Affairs
P.O. Box 803
101 South Broad Street
Trenton, NJ 08625-0803

CORRECTIVE ACTION PLAN REPORT

Borough of Bradley Beach
County of Monmouth
Audit Report Year: December 31, 2010

Audit Recommendation #2010-1:

Description: That all contracts that bind the Borough to future payments be approved by formal resolution of the governing body and that purchases under State contract that exceed the bid threshold of the local public contracts law be approved by the governing body.

Analysis: The Police Department entered into a lease agreement which exceeded the bid threshold; however the purchase was made under State contract. The contract was not approved by Mayor and Council by resolution.

Corrective Action: All departments were advised that proper procedure requires approval by resolution of Mayor and Council for all State contract purchases/leases.

Implementation Date: Immediately

Audit Recommendation #2010-2:

Description: That grant fund expenditures be limited to budgetary resources available.

Analysis: The appropriated reserve for Body Armor Replacement in the Federal & State Grant Fund was over-expended by \$840.45 which was the result of a misunderstanding of the timing and availability of budgetary resources on this multi-year grant.

Corrective Action: Management is aware of the condition and it's cause. The over-expenditure has been raised in the 2011 Current Fund budget and steps implemented to ensure future compliance.

Implementation Date: Immediately.

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Audit Recommendation #2010-3:

Description: That expenditures for water be charged to the appropriate budgetary line items.

Analysis: Expenditures for water were inappropriately charged to the hydrants budget account. No account for water usage exists. Past practice was followed and this condition was not disclosed in prior audits.

Corrective Action: Management is aware of the condition and its cause. Steps have been implemented to differentiate between hydrant and water usage charges.

Implementation Date: Immediately.

Audit Recommendation #2010-4:

Description: That expenditures made by wire-transfer of funds be included on check registers, vendor history reports and bill lists.

Analysis: Certain expenditures are facilitated by wire-transfer of funds. These wire-transfers were not reflected on check registers, vendor history reports or bill lists. Past practice was followed.

Corrective Action: Wire-transfers are now reported on the appropriate reports and lists.

Implementation Date: Immediately.

Audit Recommendation #2010-5:

Description: That the Dedication by Rider for Off-Duty Police Services be utilized.

Analysis: Payment to police officers that worked for outside contractors in an off-duty capacity on special details were charged to Current Fund budget appropriation for police salaries. Receipts from contractors that paid for this off-duty work were deposited as contra receipts to the appropriation account.

Corrective Action: Management is aware of the need to properly account for off-duty police remuneration. Approval for a Dedication By Rider for this purpose was received effective August 9, 2010. Correctly accounting for off-duty police services has been implemented.

Implementation Date: Immediately.

Audit Recommendation #2010-6:

Description: That the Borough's Free Public Library have an independent audit performed.

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Analysis: The Borough processes most of the financial transactions that the Library Board authorizes; however, the library does conduct business that is outside the purview of this relationship. The library has not had a financial statement audit of its own. An independent audit would assist the Borough and the Library in demonstrating accountability for public monies.

Corrective Action: The Library Board has been advised of the audit recommendation and has already taken steps to seek a qualified professional to perform an audit.

Implementation Date: 2012 for audit of 2011.

Very truly yours,

Joyce M. Wilkins
Chief Financial Officer

Cc: Business Administrator
Borough Clerk
Borough Auditor