

**TOWNSHIP OF FRANKLIN**  
**R- 129 -17**

**RESOLUTION AUTHORIZING THE ADOPTION**  
**OF A CORRECTIVE ACTION PLAN**

WHEREAS, the 2016 Annual Audit of the Township of Franklin, conducted by Holman, Frenia, Allison contained recommendations requiring actions; and

WHEREAS, the recommendations have been reviewed by the Township's Chief Financial Officer; and

WHEREAS, the Chief Financial Officer, in accordance with the requirements promulgated by the New Jersey Division of Local Government Services, has developed a plan to address the recommendations listed by the auditor;

NOW THEREFORE BE IT RESOLVED by the Mayor and Committee of the Township of Franklin, County of Gloucester, State of NJ, that the Corrective Action Plan for the 2016 Annual Audit, hereto attached, is hereby approved and accepted; and

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

**ADOPTED** at a meeting of the Township Committee of the Township of Franklin held on August 24, 2017.

Attest:

Township of Franklin

\_\_\_\_\_  
**Barbara Freijomil, Clerk**

\_\_\_\_\_  
**David Deegan, Deputy Mayor**

CERTIFICATION

I, Barbara Freijomil, Clerk of the Township of Franklin, do hereby certify that the foregoing Resolution was presented and duly adopted by the Township Committee at a meeting held on Thursday, August 24, 2017.

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Barbara Freijomil, Clerk

Township of Franklin  
Corrective Action Plan  
2016 Audit Report

Finding No. 2016-001

**Condition:** The Township's Statement of Reserve for Federal and State Grants- Appropriated reflects an over expenditure in the amount of \$5,333.97.

**Context:** There were purchase orders in 2015 that weren't discovered until the 2016 audit was conducted that overspent the appropriated grants reserve.

**Effect:** This is in violation of N.J.S.A. 40A:4-57

**Cause:** management oversight

**Recommendation:** That the Township review all expenses prior to disbursement.

**View of Responsible Officials and Planned Corrective Action:** The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Corrective Action Plan:** All expenses are being reviewed prior to disbursement to ensure that there are sufficient appropriations available.

Township of Franklin  
Corrective Action Plan  
2016 Audit Report

Finding No. 2016-002

**Condition:** The Township's accounting system for tax title lien redemptions and premium accounts were not properly maintained during the last three months of the year. In several instances, supporting documentation for tax title lien redemption cash receipts and disbursement could not be located.

**Context:** An analysis of the tax title lien redemption and premium accounts was not properly maintained to reflect the current year activity and year end balances.

**Effect:** The tax title lien redemption and tax premium escrow balances could not be identified and allocated by block/lot or certificate number.

**Cause:** Personnel changes occurred in the tax office with the September 30, 2014 retirement of the long term tax collector. Internal control policies and procedures that were in place were changed and /or not followed which lead the records not being properly maintained.

**Recommendation:** That internal control policies and procedures should be developed to properly maintain the accounting records for the tax title lien redemption and premium accounts and balances.

**View of Responsible Officials and Planned Corrective Action:** The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**Corrective Action Plan:** The tax collector and the chief financial officer have worked together and have recreated the records to establish a detailed analysis of both the tax title lien redemption account and the tax sale premium account. Both agree with the general ledger and cash reconciliations as of April 30, 2017.