

**TOWNSHIP OF FRANKLIN
COUNTY OF GLOUCESTER
R-86-21**

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

WHEREAS, the 2019 Annual Audit of the Township of Franklin, conducted by Holman, Frenia, Allison, P.C. 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 2018 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 June 8, 2021.

Attest:

Township of Franklin

Barbara Freijomil, Clerk

John Bruno, 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 Tuesday, June 8, 2021.

Barbara Freijomil, Clerk

FRANKLIN TOWNSHIP
COUNTY OF GLOUCESTER
STATUTORY AUDIT 2019
CORRECTIVE ACTION PLAN

Auditor's Finding:

2019-1 The Township's Current Fund and Grant Fund Statements of Expenditures reflect over-expenditures of budget appropriations.

Auditor's Recommendation:

That the Township should only expend funds as appropriated (N.J.S.A. 40A:4-57).

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and will be making significant changes to the personnel to correct the issues i.e. Administrator & CFO.

Auditor's Finding:

2019-2 Closing and adjusting entries are not being properly posted in the Township's general ledger accounting system for the Current Fund.

Auditor's Recommendation:

That the client posts all adjusting & closing entries to the general ledger at the end for the Current Fund.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and will be making significant changes to the personnel to correct the issues i.e. Administrator & CFO.

Auditor's Finding:

2019-3 During our audit we noted that general and subsidiary ledgers and bank reconciliations were not accurately or timely maintained by the Township.

Auditor's Recommendation:

That the Township maintain accurate & timely general & subsidiary ledgers & bank reconciliations.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and will be making significant changes to the personnel to correct the issues i.e. Administrator & CFO.

Auditor's Finding:

2019-4 During our audit we noted various transactions during the year that did not have proper supporting documentation.

Auditor's Recommendation:

That the Township obtain proper approval & supporting documentation for all financial transactions.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and will be making significant changes to the personnel to correct the issues i.e. Administrator & CFO.

Auditor's Finding:

2019-5 During our audit we noted various interfunds still open at the end of the year.

Auditor's Recommendation:

That the Township take all efforts to make sure interfunds are returned by the end of the year.

Chief Financial Officer's Correction Action Plan:

All personnel actions were taken in 2020. Staff is now working to address these issues and weaknesses.

Auditor's Finding:

2019-6 The Township did not maintain a fixed asset accounting system for land and building in accordance with N.J.A.C. 5:30-5.6.

Auditor's Recommendation:

That internal control policies and procedures should be developed to properly maintain the general fixed assets accounting system in accordance with N.J.A.C. 5:30-5.6.

Chief Financial Officer's Correction Action Plan:

All personnel actions were taken in 2020. Staff is now working to address these issues and weaknesses.