

**TOWNSHIP OF FRANKLIN  
COUNTY OF GLOUCESTER  
R-177-21**

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

WHEREAS, the 2020 Annual Audit of the Township of Franklin, conducted by Bowman And Company 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 2020 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: November 23, 2021

COMMITTEE MEMBER	MOTION	2 <sup>nd</sup>	YES	ABSTAIN	NO	ABSENT
<b>T. Doyle</b>						
<b>D. Deegan</b>						
<b>M. Petsch-Wilson</b>						
<b>H. Flaim</b>						
<b>J. Bruno</b>						

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, November 23, 2021.

FRANKLIN TOWNSHIP  
COUNTY OF GLOUCESTER  
STATUTORY AUDIT 2020  
CORRECTIVE ACTION PLAN

Auditor's Finding:

**2020-001** The Township had expenditures greater than the budgeted amounts for multiple budget line items and the current year financial activity resulted in a deficit in operations.

Auditor's Recommendation:

That the Township should establish procedures in accordance with N.J.S.A. 40A:4-57 that would prevent the overexpenditure of appropriations and appropriation reserves and a deficit in operations.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and will be making significant changes to the purchasing process which include implementing the requisition system.

Auditor's Finding:

**2020-002** The general ledgers for all funds were not properly maintained.

Auditor's Recommendation:

That the Chief Financial Officer accurately record the Township financial activity and maintain the general ledger.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and the CFO will accurately record the Township financial activity and maintain the general ledger.

Auditor's Finding:

**2020-003** That several bank reconciliations were not accurately or timely maintained by The Township and several other bank accounts were not reconciled to the general ledger balances.

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 the CFO will prepare all bank account reconciliations on a monthly basis and verify that they agree to the cash balance in the general ledger.

Auditor's Finding:

**2020-004** The Township did not adhere to N.J.A.C. 5:30-5.4, N.J.S.A. 40A:11-4 and Pay to Play legislation.

Auditor's Recommendation:

That the Township adhere to the Local Public Contracts Law and Pay to Play legislation.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and the CFO and QPA will make changes in order to comply with the Local Public Contracts Law and Pay to Play legislation.

Auditor's Finding:

**2020-005** Township officials did not adhere to N.J.S.A. 40A:5-16 and N.J.S.A. 40A:11-6.1 and payments were made to vendors without proper supporting documentation.

Auditor's Recommendation:

That the Township adhere to N.J.S.A. 40A:5-16 and N.J.S.A. 40A11-6.1 and also ensure purchasing and expenditure policies and procedures are followed when purchasing goods and services..

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and the CFO and QPA will make changes in order to comply with N.J.S.A. 40A:5-16 and N.J.S.A. 40A11-6.1.

Auditor's Finding:

**2020-006** The Township did not deposit receipts within 48 hours and supporting documentation was not maintained in accordance with N.J.S.A. 40A5-15.

Auditor's Recommendation:

That the Township adhere to N.J.S.A. 40A:5-15 and proper supporting documentation should be maintained for all receipts collected by the Township

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and Finance Department will institute internal controls that will ensure funds are deposited within 48 hours and supporting documentation shall be maintained.

Auditor's Finding:

**2020-007** The Township did not liquidate interfunds prior to the end of the year.

Auditor's Recommendation:

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

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and Chief Financial Officer will liquidate interfunds prior to the end of the year.

Auditor's Finding:

**2020-008** The Township did not maintain a fixed asset accounting and reporting system in accordance with N.J.A.C. 5:30-5.6.

Auditor's Recommendation:

That the Township properly maintain the general fixed asset accounting and reporting system in accordance with N.J.A.C. 5:30-5.6.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and Finance Department will work with other Township departments to identify all fixed assets and properly maintain the general fixed asset accounting and reporting system.

Auditor's Finding:

**2020-009** The Township did not maintain escrow funds in accordance with N.J.S.A. 40:55D-53.1 and N.J.S.A. 40:55D-53.2

Auditor's Recommendation:

That the Township adhere to N.J.S.A. 40:55D-53.1 and N.J.S.A. 40:55D-53.2.

Chief Financial Officer's Correction Action Plan:

We recognize the significance of the issues and Finance Department will properly maintain escrow funds on deposit in accordance with N.J.S.A. 40:55-53.1 and N.J.S.A.40:55-53.2.