

RESOLUTION #15-40

**RESOLUTION APPROVING SUBMISSION OF
CORRECTIVE ACTION PLAN FOR 2013 AUDIT**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, The Annual Report of Audit for the year 2013 has been filed by a Registered Municipal Accountant with the Municipal Clerk, pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the governing body, and

WHEREAS, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated in Resolution #15-39 adopted January 13, 2015, and have subscribed to the affidavit, as provided by the Local Finance Board, and

WHEREAS, the Chief Financial Officer has prepared the attached Corrective Action Plan for the 2013 Annual Audit, responding to the Schedule of Findings and Recommendations.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the City of Woodbury, that the attached Corrective Action Plan for the 2013 Audit is hereby approved for submission to the Division of Local Government Services, New Jersey Department of Community Affairs.

ADOPTED at a regular meeting of the Mayor and City Council of the City of Woodbury held January 13, 2015.

CITY OF WOODBURY

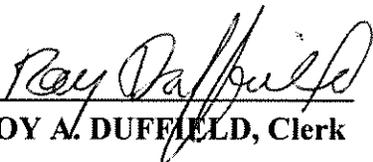
By:



DAVID TROVATO

President of Council

ATTEST:



ROY A. DUFFIELD, Clerk

**CITY OF WOODBURY
2013 AUDIT REPORT
CORRECTIVE ACTION PLAN**

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Finding No. 2013-1:

CONDITION:

The City did not maintain a general ledger accounting system as required by N.J.A.C. 5:30-5.7.

AUDITOR RECOMMENDATION:

That a general ledger accounting system be maintained in accordance with N.J.A.C. 5:30-5.7.

EXPLANATION AND CORRECTIVE ACTION:

Corrective action was started in 2011 with the purchase of the Edmunds software system. While implementation was made in 2012 by the Chief Financial Officer (CFO) and his staff, and the AFS continues to be prepared by the CFO, the general ledger was not reconciled on a monthly basis to the cash reconciliations for the Current Fund and Water/Sewer Operating Fund. The CFO will make every effort to complete the full implementation by January 31, 2015.

**CITY OF WOODBURY
2013 AUDIT REPORT
CORRECTIVE ACTION PLAN**

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Finding No. 2013-2:

CONDITION:

A monthly reconciliation of the Tax Collector's records with the records of the Treasurer was not performed.

AUDITOR RECOMMENDATION:

That the existing system of internal controls be evaluated and necessary improvements be implemented to provide reasonable assurance that tax office collections are reconciled with the Treasurer's records.

EXPLANATION AND CORRECTIVE ACTION:

The Chief Financial Officer (CFO) and Tax Collector understand this internal control weakness and have taken immediate action to correct this situation. At the recommendation of the auditor, the City has opened two (2) bank accounts for the Collector to account for the Tax & Utility office funds, and these deposits are being verified on a daily basis to Edmunds batch postings. Other internal controls were also changed, including pre-numbered receipts, separate cash drawers and Edmunds usernames for all staff to make their own deposits into a dropbox safe. New locking bank bags have also been acquired. The CFO and Tax Collector will perform monthly reconciliations and complete the full implementation by January 31, 2015.