

**BOROUGH OF MENDHAM**  
MORRIS COUNTY, NEW JERSEY

**RESOLUTION # 141-2023**

**RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE  
ANNUAL AUDIT REPORT FOR CALENDAR YEAR 2022**

**WHEREAS**, the New Jersey Budget and Fiscal Affairs laws require all local governments to prepare and submit a Corrective Action Plan as part of their annual audit process; and

**WHEREAS**, the Corrective Action Plan, which was prepared by the Chief Financial Officer and placed on file with the Borough Clerk within 60 days from the date the audit report was received by the governing body, outlines action the Borough of Mendham will take to correct the findings listed in the Comments and Recommendations section of the 2022 Audit report; and

**WHEREAS**, the governing body is required to review and to approve the Corrective Action Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Mendham that they hereby approve the Corrective Action Plan prepared by the Chief Financial Officer in response to the 2022 Audit Report; and

**BE IT FURTHER RESOLVED** that the Municipal Clerk shall file a certified copy of this Resolution with the Director of the Division of Local Government Services.

This resolution shall take effect immediately.

Dated: October 23, 2023

ATTEST

BOROUGH OF MENDHAM

Lauren McBride, Acting Borough Clerk

Christine Serrano Glassner, Mayor

Attachment: Corrective Action Plan

## **BOROUGH OF MENDHAM**

### **CORRECTIVE ACTION PLAN FOR THE ANNUAL AUDIT REPORT FOR CALENDAR YEAR 2022**

The Corrective Action Plan, which outlines actions the Borough of Mendham will take to correct the findings listed herein, has been prepared in accordance with State requirements. A copy of the Corrective Action Plan will be placed on file and made available for public inspection in the Office of the Municipal Clerk in accordance with law and as required by Local Finance Notice CFO-97-15.

#### **Segregation of Duties**

Description: An adequate segregation of duties be maintained with respect to the recording and treasury functions.

Analysis: Due to the limited number of Borough personnel and the decentralized nature of governmental collection procedures there is a concentration of duties and responsibilities among a limited number of employees.

Corrective Action/Implementation Date: This finding has been evaluated. Although, due to budgetary constraints and the limited number of Borough personnel and the decentralized nature of governmental collection procedures the Borough has been able to achieve partial resolution to this recommendation. In 2022 a Finance Clerk was hired. Posting and bank deposit of Cash Receipts duties were segregated from the CFO. Remote Deposit Capture was implemented for checks and is utilized by the Finance Clerk, Tax Collector and Utility Billing Clerk.

#### **Purchase Orders**

Description: Purchase order be prepared and approved prior to the purchase of goods or services to ensure the availability of funds.

Analysis: During the review it was noted that there were Purchase Orders that were prepared and approved after the goods and services were ordered and obtained.

Corrective Action/Implementation Date: The Borough's purchasing procedures have been reviewed with departments. A new finance software system, MSI, was purchased in 2022. Proper prior approval of the purchase of goods and services is currently being implemented.