

RESOLUTION NO. 2016-379

A RESOLUTION APPROVING CORRECTIVE ACTION
PLAN FOR 2015 AUDIT.

WHEREAS, pursuant to Local Finance Notice 97-16, a Corrective Action Plan shall be prepared and filed within sixty (60) days from the date the audit was received by the governing body; and

WHEREAS, the City did not submit the Corrective Action Plan within the time frame and format as required; and

WHEREAS, the City received notice on October 13, 2016, from the Division of Local Government Services, that the Plan must now be submitted within sixty (60) days of receipt of said notice; and

WHEREAS, said Corrective Action Plan requires approval of the governing body of the City of Vineland;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Vineland approves the attached Corrective Action Plan for the 2015 Audit and a copy will be filed with the New Jersey Department of Community Affairs, Division of Local Government Services and placed on file and made available for public inspection in the Office of the Municipal Clerk of the City of Vineland.

Adopted:

President of Council

ATTEST:

City Clerk



Susan M. Baldosaro
Chief Financial Officer
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To: Robert Dickenson, Assistant Business Administrator
Keith Petrosky, City Clerk

From: Susan M. Baldosaro

Date: November 7, 2016

Subject: 2015 Corrective Action Plan

Attached please find the 2015 Corrective Action Plan to be placed on the agenda for the November 22, 2016 meeting.



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's Office at 856-794-4144.

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**City of Vineland
Corrective Action Plan
Audit Report
December 31, 2015**

Finding #2015-1

Description:

The 2015 Annual Financial Statement was not filed on time as required by New Jersey State Statutes.

Criteria:

All New Jersey Municipalities are required to file by February 10th an Annual Financial Statement under New Jersey Statutes annotated 40A:5-12, as amended.

Condition:

Year-end close out procedures were not completed within a reasonable amount of time.

Cause:

Year-end close out procedures were not completed within a reasonable amount of time.

Effect:

The 2015 Annual Financial Statement could not be filed on time as required by State Statutes. The City submitted the Annual Financial Statement to the State on March 17, 2016.

Recommendation:

We recommend that the City review their year-end closeout procedures and that State reporting requirements be submitted timely in accordance with State Statutes.

Management Response:

The City will review their year-end closeout procedures so that the 2016 Annual Financial Statement is submitted timely to the State.

Explanation of Corrective Action:

Certain software configurations aided in the untimeliness of the filing requiring additional staff resources to correct. Staffing levels and the resignation of the Comptroller were also factors in this result. The City will review their year-end closeout procedures so that the 2016 Annual Financial Statement can be submitted timely in accordance with State Statutes. The City has addressed software configurations and staffing levels have improved.

Implementation Date:

July 2016

Finding #2015-2

Description:

Several Dog Tags were issued out of sequence resulting in inaccurate monthly State reports and the inability to reconcile the total year end revenue to the number of dog tags issued by the City.

Criteria:

The City's collections and reporting of dog licenses, which encompass a portion of State monies, are to be completed accurately and timely, along with its corresponding remittances to the State of New Jersey. Dog licenses are to be issued in a numerical sequence so that revenue can be reconciled to the number of tags sold by the City

Condition:

Adoption of new software for issuing dog licenses contributed to many errors in recording the collected amounts.

Cause:

Insufficient reconciliation and review of monthly State dog reports.

Effect:

Inaccurate remittances of the State's portions of dog license monies and the inability to account for the sequence of dog tags issued by the City.

Recommendation:

That the City review their procedures over the issuance and record keeping of Dog Licenses.

Management Response:

Procedures over Dog Licenses will be reviewed in 2016.

Explanation of Corrective Action:

The City will review the procedures governing the issuance and record keeping of Dog Licenses, as well as, reviewing that the software is accommodating the need.

Implementation Date:

July 2016

Finding #2015-3

Description:

The City had over-expenditures of appropriations in the Electric Operating Fund, Solid Waste Utility Fund and General Capital Fund in the amounts of \$1,892,125.37, \$5,652.88, and \$62,596.39 respectively in 2015.

Criteria:

Local Budget Law and Local Finance Board Regulations do not permit over-expenditures of individual budget line items or general capital ordinances.

Condition:

The City approved expenditures prior to verifying that there were sufficient funds available in the budget lines and general capital ordinances.

Cause:

Appropriation expenditures and general capital ordinances were not properly monitored during 2015.

Effect:

The over-expenditures must be raised in the budget as deferred charges in the 2016 City budget.

Recommendation:

That no commitment be made or expenditure approved for payment unless there is a sufficient balance in the proper budget line item or capital ordinance.

Management Response:

The city will monitor budget appropriations and capital ordinance expenditures.

Explanation of Corrective Action:

The City will monitor that no commitment be made or expenditure approved for payment unless there is a sufficient balance in the proper budget line item or capital ordinance. Deferred charges have been appropriated in the 2016 City budget.

Implementation Date:

Immediately