

RESOLUTION NO. 2018-266

A RESOLUTION APPROVING CORRECTIVE ACTION
PLAN FOR 2017 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 Chief financial Officer has completed a Corrective Action Plan relating to the findings of the 2017 Audit;

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 2017 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

**City of Vineland
Corrective Action Plan
Audit Report
December 31, 2017**

Finding #2017-1

Description:

Municipal Court bank reconciliations are being prepared monthly, however both the general and bail accounts require several adjustments to the ATS system throughout the year. We also noted that the General account year end outstanding check list included several checks that had previously been escheated to the City in 2016 and both the General and Bail accounts included several bad checks that were on the prior year's reconciliation.

Regarding the timeliness of disbursing monies to different agencies, we noted that seven months of municipal fines and costs and POAA fees were not turned over to the City by the 15th of the following month. Other agency disbursements were also noted as not being paid timely.

Regarding the amounts turned over to the City for Fines and Costs, we noted that adjustments were often made to the amount paid to the City. Adjustments included cashier drawer shortages and other miscellaneous corrections.

Criteria:

The Administrative Office of the Court's Financial Procedures Manual requires monthly reconciliations using the cash book reconciliation page. Any adjustments necessary should be made within a reasonable period of time after uncovered and be for a valid reason. All fines collected should be disbursed to the proper agency in a timely manner (before the 15th of the month.) All reconciling items included on the cash book reconciliation page should foot and be valid. Long outstanding items should be investigated and corrected with a reasonable period of time.

Condition:

The cash book bank reconciliation page for both the general account and bail account are being prepared monthly however adjustments are not being made timely. There were several times throughout the year which fines were not turned over to the required agencies before the 15th of the following month. Miscellaneous corrections and cashier shortages were corrected through the amount paid to the City for fines and costs. There were several old reconciling items included on the General account reconciliation, including outstanding checks that had been escheated to the City in 2016.

Cause:

The court has disregarded making timely adjustments to the ATS system. The court has disregarded their monthly closeout procedures over cash disbursements.

Effect:

Several adjustments are needed to both the general and bail ATS system and bank reconciliations were inaccurate. The proper agencies did not receive their money in a timely manner.

Recommendation:

That necessary adjustments to both the general account and the bail account be recorded by court personnel timely. The escheated checks no longer be included on the outstanding check list for the General Account. The General and Bail account bad checks be recorded and followed up on timely.

Attention should be made to the timeliness at which the disbursements are made to the outside agencies and to adjustments to municipal Fines and Costs.

Management Response:

The responsible City Officials agree with the finding and will address the matter as part of the corrective action plan.

Explanation of Corrective Action:

During 2017 the position of Court Director was vacant until the month of December. After meeting with the new Court Director implementation of the necessary adjustments will be completed on a timely basis. The escheated checks have been removed from the outstanding checklist for the General Account reconciliation. Also, procedures have been implemented for the accounting of bad checks. The Chief Financial Officer will be copied on all bank reconciliations with proper back up. The finance department will review the reconciliations and verify the timely disbursements to the outside agencies.

Implementation Date:

June 2018