

RESOLUTION NO. 2024-261

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR,
COUNTY OF OCEAN, STATE OF NEW JERSEY, AUTHORIZING
A CORRECTIVE ACTION PLAN**

WHEREAS, on October 10, 2024, by Resolution 2024-259, the Governing Body reviewed and certified the 2023 Annual Audit, ; and

WHEREAS, a Corrective Action Plan was required; and

WHEREAS, the Township Administration has formulated the attached Corrective Action Plan for submission to the Division of Local Government Services, Department of Community Affairs; and


WHEREAS, the governing body desires to approve the Township's Corrective Action Plan and authorize its submission to the Division of Local Government Services, Department of Community Affairs.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Township of Little Egg Harbor, County of Ocean, State of New Jersey as follows:

1. That the governing body does hereby approve the Corrective Action Plan and authorizes the submission of the plan to the Division of Local Government Services, Department of Community Affairs.
2. That a certified copy of this resolution, together with a copy of the Corrective Action Plan, shall be forwarded to Township Chief Financial Officer, Township Labor Counsel, Township Labor Counsel and the Division of Local Government Services, Department of Community Affairs.

CERTIFICATION

I, KELLY LETTERA, CMC, RMC, Municipal Clerk of the Township of Little Egg Harbor do hereby certify that the foregoing resolution was duly adopted by the Township of Little Egg Harbor Township Committee at a meeting held on the **10th** day of **October, 2024**.



KELLY LETTERA, CMC, RMC
Township Clerk
Little Egg Harbor Township

LITTLE EGG HARBOR TOWNSHIP
CORRECTIVE ACTION PLAN – 2023 AUDIT

OTHER COMMENTS (FINDINGS)

FINDING 2023-01

Condition: The Township is not maintaining a complete and accurate general ledger in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Criteria: The Township's internal control policies are required to promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets and records, encourage adherence to prescribed policies and comply with laws and regulations

Effect: The Township does not have proper support for general ledger balances and transactions.

Cause: Lack of oversight over financial reporting process.

Recommendation: That the Township implement internal controls to ensure that a complete and accurate general ledger is maintained and financial reports are reviewed for accuracy.

Management response: The Township CFO will implement procedures to ensure that general ledgers are complete and accurate

Finding 2023-02

Condition: Bank reconciliations were not performed on a timely basis.

Criteria: As a function of effective internal controls, an accurate general ledger should be maintained and cash accounts should be reconciled in a timely basis.

Effect: Misstatements of cash and potentially over-expending bank accounts.

Cause: The Township did not properly record activity completely and timely.

Recommendation: That bank reconciliations be completed accurately and timely.

Management response: The Township CFO will implement procedures to ensure reconciliations are completed on a timely basis

Finding 2023-03

Condition: The Township's Appropriation Reserves reflects over-expenditures of \$9,569.26.

Criteria: N.J.S.A. 40A:4-57 state that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability or enter into any contract which by its terms involves the

expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service..

Effect: Non-compliance with N.J.S.A. 40A:4-57.

Cause: Management Oversight.

Recommendation: That the Township raise the deferred charges in the respective funds.

Management response: The Township CFO will ensure all resolutions for budget transfers be completed before year end.

Finding 2023-04

Condition: Interfunds receivable and payable are reflected on the various balance sheets of the funds at December 31, 2023

Criteria: In accordance with requirements promulgated by the State of New Jersey, Division of Local Government Services, interfunds should be closed out by the end of the current year.

Effect: by not clearing interfunds within a timely manner, the Township could experience difficulties with cash flow as a result of cash being utilized from other sources to pay expenditures.

Cause: The Township has not transferred the required funds to close interfunds by year end.

Recommendation: That the Township transfer the required funds to close out the interfunds.

Management response: The Township CFO will ensure all interfunds will be liquidated prior to the close of the fiscal year.

Finding 2023-05

Condition: The Annual Project Expenditure Report was not submitted timely.

Criteria: In accordance with requirements promulgated by the Uniform Guidance, Municipalities are required to submit an annual Project Expenditure Report for American Rescue Plan funds by April 30, 2023.

Effect: By not submitting the annual Project and Expenditure Report timely, the Township is not in compliance with reporting requirements of the grant.

Cause: The Township had transmitted the report on July 17, 2023.

Recommendation: That the Township implement controls to ensure reports are submitted on time in accordance with grant compliance requirements.

Management response: The Township CFO will ensure all grant reports are filed in a timely manner.