

RESOLUTION #2024-47
TOWNSHIP OF FRANKLIN, HUNTERDON COUNTY


ACCEPT AND APPROVE CORRECTIVE ACTION PLAN FOR CY2023 AUDIT

BE IT RESOLVED by the Township Committee of the Township of Franklin, County of Hunterdon, that the 2023 Audit Corrective Action Plan as presented by the Chief Finance Officer is hereby accepted and approved.

I, Christine J. Burke, Municipal Clerk of the Township of Franklin, County of Hunterdon, do hereby certify this to be a true copy of a resolution adopted by the Township Committee at a meeting held on September 26, 2024.



Christine Burke, EMC
Municipal Clerk



2023 Audit Corrective Action Plan Franklin Township

Finding 2023-01

Segregation of Duties:

The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Township are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of general ledger for the various funds, as well as certain payroll duties are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Township and the decentralized nature of governmental collection procedures. Accordingly, management and the Township Committee should be aware of this situation and realize that concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is recommended that consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.

Corrective Action:

The finding was evaluated, however, due to budgetary constraints; no resolution can be made at this time. But, the Township has instituted new policies to segregate the duties to increase internal control. The Chief Financial Officer shall prepare the vouchers and ledger, but the Assistant Finance Officer shall be responsible for the execution of the prepared checks.

Payroll shall be prepared by the Chief Financial Officer. Thus, the Township has severely limited by the limited number of personnel, but we have created policies to strengthen internal controls.

Finding 2023-02

Tax overpayment balances be reviewed on a periodic basis to ensure that the balances are accurate, added and omitted taxes are posted in a timely manner and taxes related to tax title liens are transferred to the applicable lien accounts.

Corrective Action:

Overpayment balances will be reviewed.

Finding 2023-03

Dog Licenses:

State dog license fees are remitted to the State in a timely manner.

Corrective Action:

State dog license fees will be remitted to the State in a timely manner.

Finding 2023-04

The monthly cashbook for the Construction Department contain the date of receipt for each permit issued and a cashbook is prepared for Clerk's Office collections.

Corrective Action:

The cashbook for Construction will be prepared.

Finding 2023-05

Finance Records:

Corrective Action:

Interfunds will be cleared, Overtime Sheets will be approved, every effort will be made to ensure POs are approved prior to orders being placed and copies of deposit slips will be maintained on file for audit review.