

**RESOLUTION #2023-49**  
**TOWNSHIP OF FRANKLIN, HUNTERDON COUNTY**

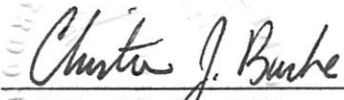
**ACCEPT AND APPROVE CORRECTIVE ACTION PLAN FOR CY2022 AUDIT**

**BE IT RESOLVED** by the Township Committee of the Township of Franklin, County of Hunterdon, that the 2022 Audit Corrective Action Plan as presented by the Chief Finance Officer is hereby accepted and approved.

ADOPTED: 09/14/2023

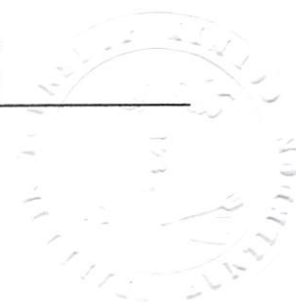
  
\_\_\_\_\_  
Philip Koury, Mayor  
Township Committee

Attest and Affix Seal:

  
\_\_\_\_\_  
Christine J. Burke, RMC  
Municipal Clerk

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 14, 2023.

  
\_\_\_\_\_  
Christine Burke RMC  
Municipal Clerk



## **2022 Audit Corrective Action Plan Franklin Township**

### **Finding 2022-01**

#### **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 2022-02**

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 2022-03**

#### **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 2022-04**

**Finance Records:**

Every effort be made to ensure that the interfunds between the various funds are reconciled and that the current year budget and tax levy in the Current Fund and the prior year audit journal entries in the various funds are posted.

Corrective Action:

Interfunds will be cleared, and journal entries will be posted.

Salaries for new employees and revised salaries for existing employees are formally authorized by the Township Committee and documented in the Township's minutes. Also, approved overtime sheets are available for audit review.

Corrective Action:

New employees will be formally authorized by the Township Committee.

Every effort be made to ensure that purchase orders are approved prior to orders being placed for goods or services and that purchase orders contain all required signatures.

Corrective Action:

Purchase orders are approved prior to orders being placed.

Every effort be made to limit interfund activity and to liquidate all interfunds by year end.

Corrective Action:

Interfunds will be limited.