

RESOLUTION OF THE CITY OF GLOUCESTER CITY
County of Camden, State of New Jersey
#R 115 - 2021

**RESOLUTION AUTHORIZING CORRECTIVE ACTION PLAN FOR 2019
AUDIT**

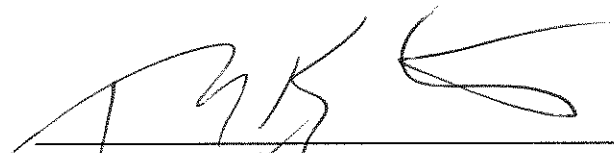
WHEREAS, the City of Gloucester City has received a Report of Audit for the year 2019; and

WHEREAS, the State of New Jersey requires that the Chief Financial Officer submit a Corrective Action Plan for all findings in the audit; and

WHEREAS, the Chief Financial Officer has completed a **Corrective Action Plan relating to the findings of the 2019 Report of Audit;**

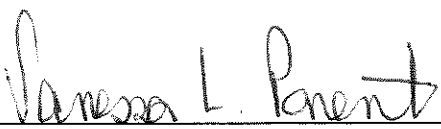
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Gloucester City, that the Corrective Action Plan be approved.

BE IT FURTHER RESOLVED that a copy of this Corrective Action Plan shall be filed with the Director of the Division of Local Government Services.



Patrick J. Keating, Mayor Pro Tem

Adopted by the Mayor and Common Council of Gloucester City 7th day of June, 2021.



Vanessa L. Parent, City Clerk

CITY OF GLOUCESTER CITY

CORRECTIVE ACTION PLAN

2019 AUDIT RECOMMENDATIONS

The following actions are planned to correct deficiencies noted in the audit report for the year ending December 31, 2019:

Finding No. 2019-001 (Prior Year Finding 2018-001)

Criteria or Specific Requirement

As a function of effective internal controls, interfunds should be liquidated within a reasonable period of time.

Condition

The City had several interfunds as of December 31, 2019.

Corrective Action:

The City will liquidate interfunds

Implementation Date – December 15, 2020.

Finding No. 2019-002 (Prior Year Finding 2018-002)

Criteria or Specific Requirement

N.J.S.A. 40A:5-15 requires that all moneys received shall be deposited or turned over to the Treasurer within forty-eight hours of receipt.

Condition

Construction office receipts were not deposited within forty-eight hours and monthly revenues were not turned over timely to the Treasurer.

Corrective Action:

All deposits will be deposited within 48 hours

Implementation Date – December 15, 2020.

Finding No. 3:

Criteria or Specific Requirement

Internal controls with respect to the expenditure of funds should be designed for effectiveness and efficiency. The Local Public Contracts Law requires that quotes be obtained for expenditures that exceed 15% of the entity's bid threshold.

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law.

Corrective Action:

Greater care be exercised in complying with the expenditure of funds and the Local Public Contracts Law.

Implementation Date – December 15, 2020.

Finding No. 4:

Finding No. 2019-004 (Prior Year Finding 2018-004)

Criteria or Specific Requirement

N.J.A.C. 5:30-5.6 requires the City to maintain an accurate record of general fixed assets. Good internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

Condition

The City's record of general fixed assets was not updated in a timely fashion.

Corrective Action:

The City will maintain, request and receive an update of their general fixed assets in a timely fashion.

Implementation Date – December 15, 2020.

Finding No. 2019-005

Criteria or Specific Requirement

Strong internal control practices dictate that cash accounts and liabilities be reconciled in a timely manner to prevent misappropriations of cash.

Condition

The City's cash reconciliations for several accounts and for payroll deductions payable were not completed in a timely manner.

Corrective Action:

The City should review their internal controls over cash and payroll deductions and establish procedures to ensure that the cash accounts and liabilities are reconciled in a timely manner.

Implementation Date – December 15, 2020.