

BOROUGH OF MENDHAM

MORRIS COUNTY, NEW JERSEY

RESOLUTION #127-2021

**RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE ANNUAL AUDIT REPORT
FOR CALENDAR YEAR 2020**

WHEREAS, the New Jersey Budget and Fiscal Affairs laws require all local governments to prepare and submit a Corrective Action Plan as part of their annual audit process: and

WHEREAS, the Corrective Action Plan, which was prepared by the Chief Financial Officer and placed on file with the Borough Clerk within 60 days from the date the audit report was received by the governing body, outlines action the Borough of Mendham will take to correct the findings listed in the Comments and Recommendations section of the 2020 Audit report; and

WHEREAS, the governing body is required to review and to approve the Corrective Action Plan.

BE IT RESOLVED by the Mayor and Council of the Borough of Mendham that they hereby approve the Corrective Action Plan prepared by the Chief Financial Officer in response to the 2020 Audit Report; and

BE IT FURTHER RESOLVED that the Municipal Clerk shall file a certified copy of this Resolution with the Director of the Division of Local Government Services.

Dated: September 9, 2021

[Corrective Action Plan attached]

Attest:

BOROUGH OF MENDHAM

Robin R. Kline, Borough Clerk

Christine Serrano-Glassner, Mayor

BOROUGH OF MENDHAM

CORRECTIVE ACTION PLAN FOR THE ANNUAL AUDIT REPORT FOR CALENDAR YEAR 2020

The Corrective Action Plan, which outlines actions the Borough of Mendham will take to correct the findings listed herein, has been prepared in accordance with State requirements. A copy of the Corrective Action Plan will be placed on file and made available for public inspection in the Office of the Municipal Clerk in accordance with law and as required by Local Finance Notice CFO-97-15.

Segregation of Duties

Description: An adequate segregation of duties be maintained with respect to the recording and treasury functions.

Analysis: Due to the limited number of Borough personnel and the decentralized nature of governmental collection procedures there is a concentration of duties and responsibilities among a limited number of employees.

Corrective Action/Implementation Date: This finding has been evaluated, but due to budgetary constraints and the limited number of Borough personnel and the decentralized nature of governmental collection procedures there has been no resolution to this recommendation.

Tax Collection

Description: The Tax Collector should make every effort to post and reconcile to the accounting records in a timely manner and ensure that a tax levy proof is prepared on a monthly basis with appropriate supporting documentation.

Analysis: Refunds by resolution, including tax appeal refunds, state and county tax refunds, municipal outside liens, tax premiums, cancellation adjustments, foreclosures, etc. should be posted and reconciled to the tax collector's records.

Corrective Action/Implementation Date: A new Tax Collector was appointed in August 2020 and will follow up to ensure that tax collection activity is posted to the accounting software in a timely manner, and that a detailed analysis will be prepared for any refunds, cancellations, and adjustments to the levy.

Police Department

Description: Police receipts should be turned over to the finance department within 48 hours of receipt.

Analysis: During the course of audit testing, it was noted that police receipts were not always turned over to the finance office within 48 hours of receipt.

Corrective Action/Implementation Date: The Police Department has been instructed to make sure that all receipts are submitted to the Chief Finance Officer within 48 hours of receipt. The first part of 2020 presented some challenges with this process due to the COVID 19 outbreak but has since been rectified.

Purchase Orders

Description: During the course of audit testing, it was noted there were instances where purchases were made prior to the preparation and approval of purchase orders.

Analysis: During the review it was noted that there were Purchase Orders that were prepared and approved after the goods and services were ordered and obtained.

Corrective Action/Implementation Date: The Borough's purchasing procedure has been reviewed with departments to ensure purchase requisitions are approved prior to obtaining goods and services.

BOROUGH OF MENDHAM

MORRIS COUNTY, NEW JERSEY

RESOLUTION #128-2021

**A RESOLUTION PROVIDING FOR AN EXECUTIVE (CLOSED) SESSION NOT OPEN TO THE PUBLIC
PURSUANT TO THE NEW JERSEY OPEN PUBLIC MEETINGS ACT N.J.S.A. 10:4-12b**

WHEREAS, the Open Public Meetings Act, N.J.S.A. 10:4-12b permits a public body to go into an Executive (Closed) Session during a public meeting to discuss certain matters such as:

- (1) Matters required by law to be confidential: Any matter which by express provision of the Federal law or State statute or rule of court shall be rendered confidential or excluded from the provisions of the Open Public Meetings Act.
- (2) Any matter in which the release of information would impair the right to receive federal funding.
- (3) Matters involving individual privacy: Any matter, the disclosure of which constitutes an unwarranted invasion of individual privacy such as records, data, reports, recommendations or other personal material of any education, training, social service, medical, health, custodial, child protection, rehabilitation, legal defense, welfare, housing relocation, insurance and similar program or institution operated by a public body pertaining to any specific individual admitted to or served by such institution or program, including, but not limited to information relative to the individual's personal and family circumstances, and any material pertaining to admission, discharge, treatment, progress or condition of any individual, unless the individual concerned.
- (4) Matters pertaining to a collective bargaining agreement: Any matter involving a collective bargaining agreement, or the terms and conditions which are proposed for inclusion in any collective bargaining agreement, including the negotiation of the terms and conditions thereof with employees or representatives of employees of the public body.
- (5) Matters relating to the purchase, lease, acquisition of real property or investment of public funds: Any matter involving the lease, purchase or acquisition of real property with public funds, the setting of banking rates or investment of public funds, where it could adversely affect the public interest if discussion of such matters were disclosed.
- (6) Matters of public protection: Any tactic and techniques utilized in protecting the safety and property of the public, provided that their disclosure could impair such protection.
- (7) Matters relating to litigation, negotiations and attorney-client privilege: Any matter of pending or anticipated litigation or contract negotiation other than in (4) above in which the Borough is or may become a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required for the attorney to exercise ethical duties as a lawyer.
- (8) Matters relating to the employment relationship: Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance of , promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all of the individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed in public.
- (9) Deliberations after public hearing. Deliberations by the Borough occurring after a public hearing that may result in a civil penalty or the suspension or loss of a license or permit of a responding party.

And,

WHEREAS, the Mayor and Council have determined that it is necessary to go into an Executive Closed Session to discuss certain matters relating to items as permitted by N.J.S.A. 10:4-12b.

THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Mendham that it shall adjourn into closed session to discuss the following subject matter(s) without the presence of the public in accordance with the provisions of R.S. 10:4-12b:

Matter to be discussed: 1. Attorney-Client Privilege – Contract-related Items

BE IT FURTHER RESOLVED, the matter(s) discussed will be made known to the public at such time as appropriate action is taken on said matter(s), and when disclosure will not result in unwarranted invasion of individual privacy or prejudice to the best interests of the Borough of Mendham, provided such disclosures will not violate Federal, State or local statutes and does not fall within the attorney-client privilege.

Dated: September 9, 2021