

TOWNSHIP OF BEDMINSTER

CORRECTIVE ACTION PLAN

2013 AUDIT RECOMMENDATIONS

In accordance with Local Finance Notices #97-16 and #2005-1, the following corrective action plan is recommended by the Chief Financial Officer of the Township of Bedminster regarding the recommendations made by independent auditors in the 2013 audit report.

Finding: The Township does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

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

Explanation & Corrective Action: As there are a limited number of personnel employed with the Township, it is impossible to segregate duties of the recording and treasury functions. Due to budgetary constraints no resolution can be made at this time.

Finding: The Township does not maintain a complete general ledger accounting system.

Recommendation: The Township continue its effort to maintain a complete general ledger accounting system for all funds to ensure full compliance with the Division's Technical Accounting Directives.

Explanation & Corrective Action: The Township put in place a new accounting system in 2012. In 2013 the software provider came on-site to assist with linking of the general ledger to the respective budgetary expenditure and revenue lines, as well as other finance software issues. The Chief Financial Officer will continue to work with the new general ledger accounting system for all funds to improve the accuracy of the general ledger.

Implementation Date: A general ledger accounting system for all funds will be implemented before the end of fiscal year 2014.

Finding: Upon review of the Federal and State Grant Fund and the General Capital Fund it was noted that the funds have several grant receivable balances from prior years and that the Federal and State Grant Fund also has numerous appropriated reserve grant balances that date back several years.

Recommendation: The various grant receivable and appropriated grant balances be reviewed for collectability and/or cancellation.

Explanation & Corrective Action: The Chief Financial Officer will review the various grant receivables and appropriated grant balances for collectability and/or cancellation. Balances will also be reviewed with department heads and professionals where appropriate to determine their proper disposition.

Implementation Date: Review of grant fund balances will be completed by the end of fiscal year 2014.