

**RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL  
OF THE BOROUGH OF MOUNT ARLINGTON, COUNTY OF MORRIS,  
NEW JERSEY, APPROVING THE CORRECTIVE ACTION PLAN  
RECOMMENDED IN THE ANNUAL REPORT OF AUDIT FOR 2008**

**BE IT RESOLVED** that the attached Corrective Action Plan, submitted by Monica Gosicki, CFO, be approved and submitted by the Borough Clerk to the Division of Local Government Services.

**BE IT FURTHER RESOLVED** that a copy will be placed on file in the Borough Clerk's Office and made available for public inspection within the next 45 days.

I hereby certify this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington and adopted on July 13, 2009.



Linda DeSantis, RMC  
Borough Clerk

Corrective Action Plan for the Audit Report  
for the year ended December 31, 2008  
Borough of Mount Arlington, County of Morris

**Finding #1**

1. Description: That an adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. Analysis: Adequate segregation of duties in the finance office is not being maintained.
3. Corrective Action: The Borough has reviewed and discussed various alternatives to improve this area but due primarily to budget constraints a complete resolution can not be made at this time.

**Finding #2**

1. Description: The fixed asset inventory did not accurately reflect the Borough's assets and a complete reconciliation was not provided.
2. Analysis: The reconciliation for the fixed assets was not accurate.
3. Corrective Action: A complete reconciliation will be done to accurately show the Borough's assets at yearend.
4. Implementation Date: 9/30/09

**Finding #3**

1. Description: A full listing be maintained of assets disposed of and items deleted from the fixed assets report.
2. Analysis: An accurate list was not maintained of assets disposed of and items deleted from the fixed assets report.
3. Corrective Action: A new fixed asset form has been implemented to accurately keep track of additions and deletions to the fixed asset report.
4. Implementation Date: 6/22/09

**Finding #4**

1. Description: The general ledger, all subsidiary ledgers and budget expenditures be maintained and proven on a monthly basis.
2. Analysis: The general ledger was not updated and maintained for 2008 and budget expenditures were not proved out monthly.
3. Corrective Action: The general ledger is being set up on the finance computer system and all budget expenditures will be proved out monthly.
4. Implementation Date: 9/30/09

**Finding #5**

1. Description: Management should closely monitor the budget to ensure over expenditures of line items do not occur.
2. Analysis: There were two budget line items that were over expended for 2008.
3. Corrective Action: All budget line items will be monitored closely to ensure that there are no over expenditures in the future.

4. Implementation Date: 6/30/09

**Finding #6**

1. Description: That every effort be made to clear the interfund balances by yearend.
2. Analysis: Not all interfunds were cleared at yearend.
3. Corrective Action: All interfunds will be reviewed during 2009 and eliminated by yearend.
4. Implementation Date: 9/30/09

**Finding #7**

1. Description: Analysis of bail account be reconciled to cash monthly, deposits for bail and regular account be made within 48 hours of receipt, and all tickets be kept in the file and the ticket control books be properly stored.
2. Analysis: The bail account was not reconciled monthly, there were some instances where the deposits were not made within 48 hours, and all tickets were not kept in the file and the ticket control books were not properly stored.
3. Corrective Action: A shared services agreement was signed with the Town of Dover to take over the Borough of Mount Arlington court.
4. Implementation Date: 2/1/09

**Finding #8**

1. Description: All receivables should be investigated, a determination should be made as to continued recognition, and proper disposition should be made, evidenced by Borough resolution.
2. Analysis: Outstanding receivables have not been followed up on. It needs to be determined whether the receivables are still valid or should be cancelled.
3. Corrective Action: The finance office is preparing a detailed receivable analysis and is working with the Borough engineer to submit paperwork to collect the receivable balances.
4. Implementation Date: 6/17/09