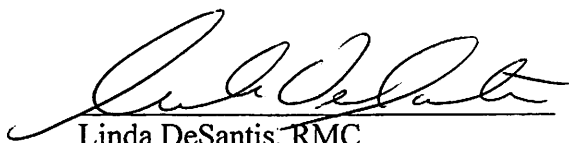


**RESOLUTION OF THE MAYOR AND BOROUGH COUNCIL
OF THE BOROUGH OF MOUNT ARLINGTON, COUNTY OF MORRIS,
NEW JERSEY, APPROVING THE CORRECTIVE ACTION PLAN
RECOMMENDED IN THE ANNUAL REPORT OF AUDIT FOR 2009**

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 September 7, 2010.



Linda DeSantis, RMC
Borough Clerk

Corrective Action Plan for the Audit Report
for the year ended December 31, 2009
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 be revised to segregate the Borough's assets from the Library and the Volunteer Fire Company.
2. Analysis: The fixed asset report was not segregated.
3. Corrective Action: A complete reconciliation will be done to accurately segregate the fixed asset reports between the Borough, the Library and the Volunteer Fire Company.
4. Implementation Date: 8/31/10

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. All deleted items will be approved by resolution of the governing body. A reconciliation will be done at year end to ensure that an accurate list is maintained for all deleted items.
4. Implementation Date: 1/1/10

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 2009 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 for 2010.
4. Implementation Date: 8/1/10

Finding #5

1. Description: All interfunds be liquidated by the Chief Financial Officer in 2010 due to the potential restriction on Current Fund fund balance. Every effort should be made to limit and control the number of interfund transactions in the future.
2. Analysis: Not all interfunds were liquidated at year end.
3. Corrective Action: All interfunds will be reviewed during 2010 and eliminated by year end. Every effort will be made during 2010 to limit the number of interfund transactions during the year.
4. Implementation Date: 8/1/10

Finding #6

1. Description: All Other Trust Funds receipts are turned over to the Chief Financial Officer for deposit within 48 hours of receipt.
2. Analysis: All Other Trust Funds receipts were not always turned over to the Chief Financial Officer within 48 hours.
3. Corrective Action: The procedures have been reviewed and all receipts will be turned over to the Finance Office within 48 hours.
4. Implementation Date: 2/28/10