


**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 2010**

BE IT RESOLVED that the attached Corrective Action Plan, submitted by Carolyn Rinaldi, Acting 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 August 2, 2011.



Linda DeSantis, RMC
Borough Clerk

Borough of Mount Arlington, County of Morris
Corrective Action Plan for the year ended December 31, 2010 Audit Report

Finding Number 1:

1. **Description:** An adequate segregation of duties is 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 cannot be made at this time.
4. **Implementation Date:** Uncertain.

Finding Number 2:

1. **Description:** The Fixed Assets inventory records of the client are reconciled to the appraisal report.
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 year end. A post-audit report will be provided to American Appraisal to reconcile.
4. **Implementation Date:** September 30, 2011

Finding Number 3:

1. **Description:** All line items will be reviewed on a regular basis and any necessary transfers will be made to ensure that line items are not over-expended.
2. **Analysis:** There were two budget reserve line items that were over expended in 2010.
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:** June 29, 2011

Respectfully Submitted,



Carolyn Rinaldi
Acting Chief Financial Officer