

Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
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JOSEPH KOLODZIEJ
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CORRECTIVE ACTION PLAN To Correct Audit Recommendations Contained in the Independent Auditors' Report For the Year Ended December 31, 2017

Current Year Finding # 1 Purchasing

Repeat recommendation from audits in prior years

Finding/Condition:

- It was noted that a contract was awarded under the provisions of N.J.S.A. 40A:11-12 New Jersey State Purchasing Contracts without a resolution adopted by the Township Committee.
- It was also noted that two contracts were awarded without competitive bidding
- It was also noted that some window contracts were awarded without a resolution adopted by the Township Committee.

Recommendation:

Purchasing procedures be reviewed to ensure compliance with Local Public Contracts Law and Pay-to-Play Law.

Explanation:

Software used for purchasing was inadequately set up to provide timely aggregate purchasing data to monitor potential public purchasing issues.

Corrective Action:

Aggregate purchasing thresholds have been activated in the Edmunds software system utilized by the Township for Finance and Purchasing to prevent the processing of requisitions and purchase orders above established thresholds and allow the Business Administrator and CFO to proactively take action to comply with Local Public Contracts Law and Pay-to-Play Law.

Implementation Date:

June 2018



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Current Year Finding # 2 Tax Office

Finding/Condition:

The yearly reports filed with the State of New Jersey for Senior Citizen and Veteran Deductions was not available for audit review.

Recommendation:

Reports filed with the State of New Jersey for Senior Citizen and Veteran Deductions be available for audit review.

Explanation:

Unable to locate files maintained by the previous Tax Collector.

Correction Action:

Implement digital redundant record keeping to ensure access to all Finance Department files by two or more employees of the Finance Department.

Implementation Date:

June 2018



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Current Year Finding # 3 Revenue Collection: Clerk's Office

Finding/Condition:

Marriage license copy fees were reduced, without proper approval, by employees of the Township Clerk's Office when two or more copies were requested.

Recommendation:

The practice of reducing, without proper approval, marriage license copy fees when two or more copies are requested is discontinued.

Explanation:

The State establishes the fee structure for Registrar transcripts that is not in agreement with Local Ordinance.

Corrective Action:

A resolution will be adopted to properly approve the reduction of marriage license fees required by the State and the Fees for Registrar records. Fee Ordinance will be amended by the end of 2018 to permanently reflect the appropriate fee structure.

Implementation Date:

December 2018

Current Year Finding # 4 Revenue Collection: Clerk's Office

Finding/Condition:

Amounts due to the State of New Jersey for 2017 marriage licenses as of December 31, 2017 were not in agreement with fiscal year 2018 payments.

Recommendation:

The overpayment to the State of New Jersey for marriage license fees be reviewed and a determination made as to proper disposition.

Explanation:

Marriage license form was accidentally processed twice creating the overpayment largely due to charging the payment to multiple budget line items.

Correction Action:

Deduct overpayment from 3rd quarter payment to the State and begin charging all future payments to the State from the revenue account that collects the funds.

Implementation Date:

October 2018



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Current Year Finding # 5 Revenue Collection: Recreation Department

Repeat recommendation from audits in prior years

Finding/Condition:

The Cash Receipts books at 60 Woodland Road were not available for audit review for 60 Woodland rentals, security deposits, and Burgdorff Center.

Recommendation:

Make available certain cash receipt books for revenue collected by the Recreation Department

Explanation:

Transition to new internet based booking and accounting vendor left the Township without access to reports that were previously printed out.

Corrective Action:

Implement digital record keeping of cash receipts for all rentals and security deposits for Township facilities by printing reports from internet based booking and accounting system on a monthly basis.

Implementation Date: Nov. 2018

Current Year Finding # 6 Revenue Collection: Recreation Department

Repeat recommendation from audits in prior years

Finding/Condition:

Revenue collected by the Recreation Department was not turned over to the Tax Collector within 48 hours after receipt, in accordance with the provisions of N.J.S.A. 40A:5-15.

Recommendation:

Collection procedures be reviewed for the Recreation Department to ensure compliance with deposit provisions of N.J.S.A. 40A:5-15.

Explanation:

Partnerships between the Township and various volunteer groups result in cash collected by the volunteer groups not getting turned over to the Township in compliance with N.J.S.A. 40A:5-15

Corrective Action:

Seek input from partnership organizations and review procedures to submit the collection of participation fees to the Township to comply with the 48 hour rule.

Implementation Date: December 2018



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Current Year Finding # 7 Revenue Collection: Recreation Department **Repeat recommendation from audits in prior years**

Finding/Condition:

A detailed list of security deposits was not available for audit review.

Recommendation:

Make available a detailed list of security deposits for audit review.

Explanation:

Transition to new internet based booking and accounting vendor left the Township without access to reports that were not previously printed out.

Corrective Action:

Implement digital record keeping for cash receipts for all rentals and security deposits for Township facilities by printing reports from internet based booking and accounting system on a monthly basis.

Implementation Date:

Nov. 2018



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Current Year Finding # 8 Animal Control Trust Fund

Repeat recommendation from audits in prior years

Finding/Condition:

Several dog license reports reflecting license fees and amounts Due to the State of New Jersey were not filed on a timely basis.

Recommendation:

Dog license reports be filed with the State of New Jersey on a timely basis.

Explanation:

2016 Audit was conducted in late 2017 that did not allow for corrective action until well into the 2017 fiscal year. Reporting was addressed for the remainder of 2017 but the beginning of the year still had the same issue.

Corrective Action:

Additional personnel was assigned to assist mid-year in 2017 addressing this issue for all of 2018.

Implementation Date:

October 2017

Current Year Finding # 9 Animal Control Trust Fund

Finding/Condition:

The Cash receipt sheet for the month of August for cat licenses was not available for audit review.

Recommendation:

Cash receipt sheet for the month of August for cat licenses be available for audit.

Explanation:

Unable to locate files maintained by the previous Chief Finance Officer.

Correction Action:

Implement digital redundant record keeping to ensure access to all Finance Department files by two or more employees of the Finance Department.

Implementation Date:

June 2018



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Current Year Finding # 10 Animal Control Trust Fund

Finding/Condition:

The Township's share of one dog license was not collected by the Health Department.

Recommendation:

The Township's share of all dog licenses be collected by the Health Department.

Explanation:

Renewal by mail accidentally used the wrong fee from the fee menu resulting in a license issued that did not include the Township's share.

Correction Action:

Review mail processing for licenses to sort into categories prior to processing.

Implementation Date:

November 2018

Current Year Finding # 11 Animal Control Trust Fund

Finding/Condition:

Several dog licenses were issued out of sequence.

Recommendation:

All dog licenses be issued in sequential order.

Explanation:

Shipping material from vendor to secure licenses sequentially is prone to accidentally distributing more than one license resulting in loose tags in the bottom of the lock box that stores the tags and loose tags are ultimately distributed to avoid waste.

Corrective Action:

Obtain and utilize a storage device that ensures sequential distribution of tags.

Implementation Date:

November 2019



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Current Year Finding # 12 Animal Control Trust Fund

Finding/Condition:

Three cat license tags were not available for audit review.

Recommendation:

All cat license tags be available for audit review.

Explanation:

Shipping material from vendor to secure licenses sequentially is prone to distributing more than one license resulting in loose tags in the bottom of the lock box. Unused tags from the previous year are stored in long term storage in the basement of Town Hall.

Corrective Action:

Obtain and utilize a long term storage devise for expired, unissued tags for easy retrieval.

Implementation Date:

November 2019



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Current Year Finding # 13 Accounts Receivable

Repeat recommendation from audits and prior years

Finding/Condition:

Certain accounts receivable, as reflected on the Current Fund, General Trust Fund, and General Capital Fund balance sheets, have remained open as of December 31, 2017 totaling \$71,486.00.

Recommendation:

Certain accounts receivable be reviewed and a determination made as to proper disposition.

Explanation:

Billing of Accounts Receivable is distributed among several members of the Finance Department. Receipt and recording of payment is likewise distributed among several members. While this is an appropriate internal control, a lack of standardized communication has led to a lack of timely dunning calls.

Corrective Action:

A restructure of the Finance Department will place all Accounts Receivable billing with one employee. Payments will likewise be handled by one employee. This segregation of duties will be supervised by a third employee to ensure billing and payments are actively monitored. An effort will be made to collect on all outstanding balances.

Implementation Date:

November 2019



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Current Year Finding # 14 General Trust Fund

Repeat recommendation from audits and prior years

Finding/Condition:

A detailed list of Premiums on Tax Sale and Tax Title Lien Redemptions were prepared by the Tax Collector, however they were not in agreement with audit controls.

Recommendation:

A detailed list of Premiums on Tax Sale and Tax Title Lien Redemptions be reconciled to cash controls on a monthly basis.

Explanation:

Unable to locate files maintained by the previous Tax Collector prevented the monthly reconciliation of these escrow accounts.

Correction Action:

Implement digital redundant record keeping to ensure access to all Finance Department files by two or more employees of the Finance Department and reconcile on a monthly basis. Research past Tax Sale information to create an accurate detailed list of Premiums and Redemptions.

Implementation Date:

November 2018



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Current Year Finding # 15 Outside Employment of Off-Duty Police Officers **Repeat recommendation from audits in prior years**

Finding/Condition:

According to Local Finance Notice 2000-14 “entities requesting the services of police officers be required to submit payment based on estimates of the work to be done in advance of services rendered.” During our review it was noted that all entities receive services prior to depositing money with the Township.

Recommendation:

Fees for employment of off-duty police officers be collected by the Township before services are rendered, in accordance with regulations of the Division of Local Government Services.

Explanation:

Current procedures for requesting the services of police officers are processed by the Police Department but on occasion the Building Department or the Engineering Department will finish the transaction resulting in the inconsistent receipt of advanced deposits for estimated hours of service.

Corrective Action:

Implement new standard operating procedures that will have the request initially processed by the Police Department for the estimate of service required. Standardized form to allow multiple department authorization will be used to process deposits. This form and the deposit will be processed by the Finance Department with no work authorized until the paid receipt form is returned to the Police Department.

Implementation Date:

December 2018



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Current Year Finding # 16 Payment in Lieu of Taxes

Finding/Condition:

The audit report for 92 Burnett Avenue and the calculation for the payment in lieu of taxes was not available for audit review.

Recommendation:

The audit report for 92 Burnett Avenue and the calculation for the Payment In Lieu Of Taxes be available for audit review.

Explanation:

Unable to locate files maintained by the previous Tax Collector prevented the monthly reconciliation of these escrow accounts.

Correction Action:

Implement digital redundant record keeping to ensure access to all Finance Department files by two or more employees of the Finance Department.

Implementation Date: December 2018

Current Year Finding # 17 Federal and State Grants

Repeat recommendation from audits in prior years

Finding/Condition:

During the review, it was noted that the multiple grant funds dating as far back as 2008 have not been realized or have not been fully expended.

Recommendation:

Certain grants be reviewed and appropriate action be taken as to their disposition.

Explanation:

Grant accounting since 2008 was recorded in an inconsistent manner. Multiple grants were either received but not fully expended through the budget or the necessary documentation for grants receivable was not submitted for the realization of the grand funds.

Corrective Action:

The Finance Department will work with the various Town Hall employees responsible for the respective grant administration to attempt to collect the money due the Township. Grant money that cannot be collected will be written off.

Implementation Date: December 2018



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Current Year Finding # 18 Swimming Pool Utility

Repeat recommendation from audits and prior years

Finding/Condition:

The supporting documentation was not in agreement with several turnover slips.

Recommendation:

Supporting documentation for swimming pool revenue be in agreement with the turnover slips.

Explanation:

Rotation of pool employees working the cash register resulted in some employees without appropriate training to accurately create a turnover slip collecting revenue.

Corrective Action:

All employees assigned to collecting swimming pool revenue will participate in mandatory training to ensure accurate turnover slips that will be reconciled on a weekly basis.

Implementation Date:

May 2019

Current Year Finding # 19 Payroll Fund

Finding/Condition:

A list of payroll deductions payable was not in agreement with the audit control balance.

Recommendation:

Detailed listing supporting the account balance for payroll deductions payable be reconciled to master controls.

Explanation:

Reconciliation of Payroll Deductions was performed intermittently by the previous CFO.

Corrective Action:

The Payroll Supervisor will perform a monthly reconciliation of payroll deductions payable to master controls.

Implementation Date:

November 2018



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Current Year Finding # 20 Municipal Court

Repeat recommendation from audits in prior years

Finding/Condition:

All tickets that have been assigned must be issued within six months. On December 31, 2017, there were 31 tickets that were assigned but not issued in excess of six months. It is noted that significant progress has been made to reduce the number of tickets assigned but not issued in excess of six months. As of December 31, 2017 there were 31 tickets assigned but not issued in excess of six months as compared to 376 tickets from the prior year.

Recommendation:

Tickets assigned but not issued in excess of six months be reviewed for proper disposition.

Explanation:

Court Administrator implemented new Standard Operating Procedures in 2017 ticket control measures. The 2018 Visitation (conducted in December 2017) by the Essex Vicinage indicated that the Court was satisfied with the progress made.

Correction Action:

Implementation of e-ticketing will further improve ticket control measures by significantly reducing the number of paper tickets issued.

Implementation Date:

December 2018

