

Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

CORRECTIVE ACTION PLAN To Correct Audit Recommendations Contained in the Independent Auditors' Report For the Year Ended December 31, 2018

Current Year Finding # 1 Revenue Collection: Health Department

Finding/Condition:

- The cash receipts book for the Health Department was not available for audit review.
- Supporting documentation for six months of turnover slips was not available for audit review.

Recommendation:

- A cash receipts book for revenue collected by the Health Department be available for audit review.
- Supporting documentation for turnover slips for revenue collected by the Health Department be available for audit review.

Explanation:

Short staffing in the Health Department resulted in:

- The periodic maintenance of the cash receipts book.
- Turnover slips that footed out to cash deposit but had incomplete documentation.

Corrective Action:

Finance Department will inspect cash receipts book with the Health Department on a monthly basis to assist in maintenance and reconciliation. Turnover slips without supporting documentation will be rejected by the Finance Department until corrected for missing documentation.

Implementation Date:

September 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 2 Revenue Collection: Cultural Affairs Department

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.
- A detailed list of security deposits was not in agreement with audit controls.

Recommendation:

- Certain cash receipt books for revenue collected by the Cultural Affairs Department be available for audit review.
- A detailed list of security deposits be reconciled to cash controls on a monthly basis.

Explanation:

- Financial record were maintained at these satellite locations resulting in misplaced cash receipts books.
- Cultural Affairs supervisor was making deposit exceptions based on hardship explanations.

Corrective Action:

Cash receipts books are now maintained at Town Hall to provide a central location for financial records. The Cultural Affairs supervisor was instructed that the Fee Ordinance does not provide the authority to reduce the amount of a security deposit.

Implementation Date:

September 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 3 Revenue Collection: Recreation Department

Finding/Condition:

Several cash receipts collected by the Recreation Department were not recorded in the cash receipts book which resulted in the inability to reconcile collections to the records of the Tax Collector.

Recommendation:

More care be exercised in maintaining the cash receipts book for the Recreation Department and that collections be reconciled to the records of the Tax Collector on a monthly basis.

Explanation:

Outsourcing of revenue collection with community based groups and/or organizations due to staffing shortage resulted in bulk recording rather than individual recording.

Corrective Action:

Additional training to be provided to Recreation personnel to ensure current and accurate cash receipts book for the Recreation Department.

Implementation Date:

September 2019

Current Year Finding # 4 Revenue Collection: Department of Public Works

Finding/Condition:

Several applications for the Public Works Department were not available for audit review.

Recommendation:

Make all applications for the Public Works Department available for audit review.

Explanation:

Staffing shortage in DPW administrative support staff and inadequate training created poor record retention for supporting documentation.

Corrective Action:

Implement digital record keeping to create a redundant storage system for DPW applications.

Implementation Date:

November 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 5 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:

Short staffing resulted in delays with reporting in 2018.

Corrective Action:

New procedures have been installed to coordinate the issuance of a check with the report submission to have two departments monitor submission deadlines.

Implementation Date:

September 2019

Current Year Finding # 6 Animal Control Trust Fund

Repeat recommendation from audits and prior years

Finding/Condition:

Three cat license tags and two dog license tags were not available for audit review.

Recommendation:

All cat and dog license tags be available for audit review.

Explanation:

A long term storage device was implemented for expired, or unissued tags but the device was not in use until the end of 2018 resulting in this issue.

Corrective Action:

Use of a long term storage device for expired, unissued tags for easy retrieval was implemented in December 2018.

Implementation Date:

December 2018



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 7 Animal Control Trust Fund

Finding/Condition:

Several dog and cat license fees were paid late and were not charged the late fee.

Recommendation:

All dog and cat license fees that pay after the due date be charged the proper late fee.

Explanation:

The Health Officer overseeing dog and cat licenses made exceptions based on hardship explanations.

Correction Action:

The Health Officer overseeing dog and cat licenses was instructed that the Fee Ordinance does not provide the authority to waive fees.

Implementation Date:

August 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 8 Accounts Receivable

Finding/Condition:

A 2017 audit comment and recommendation regarding certain unpaid leases resulted in the adoption of a Township resolution canceling those agreements and delinquent balances. Two other leases in 2018 totaling \$3,812.50 remained unpaid despite ongoing collection efforts.

Recommendation:

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

Explanation:

These two leases were administered outside the Finance Department and the payment was recorded using the wrong payment code.

Corrective Action:

Last year's restructuring of billing seated most accounts receivable into the Finance Department. These two previous unknown accounts have been moved from the Clerk Department to the Finance Department. Both outstanding totals have been received in full and both accounts receivable are now current.

Implementation Date:

September 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 9 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:

The accounting system was set up in a manner that created conflicting reports between the Tax Collection module and the Finance module resulting in inaccurate reports for reconciliation purposes.

Correction Action:

The purchase of an additional accounting module to segregate escrow accounts will result in accurate reports to utilize in the reconciliation process. Inputting data into the new accounting module should result in an immediate review of detailed lists and produce a lasting effect of accurate detailed lists of Premiums on Tax Sale and Tax title Lien Redemptions.

Implementation Date:

November 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 10 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:

Initial efforts to address this issue by requiring all prepayment of outside employment of off duty police officers to be processed by the Police Department were inadequate.

Corrective Action:

In an effort to address this issue and comply with the provisions of LFN 2000-14, the Police Department was informed that no officers will be paid for outside employment work unless sufficient funds are deposited in the trust account to cover the expense. Additionally, frequent contractors such as utility companies, will be required to provide an annual deposit that will be replenished at pre-established minimum balances throughout the year.

Implementation Date:

October 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 11 Federal and State Grants

Repeat recommendation from audits in prior years

Finding/Condition:

During the review, it was noted that significant progress has been made to reduce the number of open grant funds but there still exists grant funds that 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:

20 open grants dating back to 2008 have been reviewed. 8 grants were disposed of with ongoing efforts to resolve the remaining 12 open grants.

Corrective Action:

The Finance Department will continue to 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



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 12 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:

Partnerships with multiple community based groups resulted in bulk recording rather than individual recording.

Corrective Action:

Revenue Collection Department now rejects any deposits that are not in agreement with turnover sheets on a daily basis to ensure supporting documentation and turnover slips are in agreement.

Implementation Date:

August 2019

Current Year Finding # 13 Swimming Pool Utility

Finding/Condition:

Revenue collected by the swimming pool utility for pool fees 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 swimming pool revenue to ensure compliance with deposit provisions of N.J.S.A. 40A:5-15

Explanation:

Special event revenue was not turned over within 48 hours.

Corrective Action:

All Pool and Recreation employees received training to comply with the deposit provisions of N.J.S.A. 40A:5-15

Implementation Date:

August 2019



Township of Maplewood

MUNICIPAL BUILDING, 574 VALLEY STREET
MAPLEWOOD, NEW JERSEY 07040-2691
Telephone (973) 762-1820
Fax (973) 762-3645

JOSEPH KOLODZIEJ
CHIEF FINANCIAL OFFICER

Current Year Finding # 14 Payroll Fund

Repeat recommendation from audits and prior years

Finding/Condition:

A list of payroll deductions payable was not in agreement with the audit control balance by \$5,522.03.

Recommendation:

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

Explanation:

Previous CFO attempted to redesign the accounting system to eliminate manual excel spreadsheets and automate financial reports that inadvertently misapplied payments to wrong accounts resulting in reports that produced inaccurate detailed listings and/or missing data.

Corrective Action:

Appropriate corrections were made to the accounting system to produce accurate reports and these reports are now agreeing with master controls. The Payroll Supervisor will perform a monthly reconciliation of payroll deductions payable to master controls to ensure accuracy.

Implementation Date:

September 2019

