

**TOWNSHIP OF VERONA  
COUNTY OF ESSEX, STATE OF NEW JERSEY**

**RESOLUTION No. 2023-169**

A motion was made by Councilwoman McGrath; seconded by Councilman Roman that the following resolution be adopted:

**APPROVING THE CORRECTIVE ACTION PLAN FOR THE 2022  
MUNICIPAL AUDIT**

**WHEREAS**, the Township of Verona has received a report of audit for the year ending December 31, 2022; and

**WHEREAS**, Local Finance Notice No. 92-15 dated July 8, 1992 requires that the Chief Financial Officer submits a Corrective Action Plan for all findings in the audit within 60 days of receipt of the Report of Audit; and

**WHEREAS**, the Chief Financial Officer has prepared a Corrective Action Plan relating to the findings of the 2022 Audit.

**NOW, THEREFORE, BE IT RESOLVED** that the Township Council of the Township of Verona, in the County of Essex, New Jersey, does hereby approve the Corrective Action Plan for the year 2022 as submitted by the Chief Financial Officer.

**BE IT FURTHER RESOLVED** that the Township Clerk is hereby directed to forward a copy of this resolution and the Corrective Action Plan to the Director of the Division of Local Government Services.

**ROLL CALL:**

**AYES:** Holland, McGrath, Roman, McEvoy, Tamburro

**NAYS:**

**THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF A RESOLUTION ADOPTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF VERONA AT A REGULAR MEETING HELD ON OCTOBER 16, 2023.**

  
**JENNIFER KIERNAN  
MUNICIPAL CLERK**



**CORRECTIVE ACTION REPORT**  
**VERONA TOWNSHIP, ESSEX COUNTY**

Audit 12/31/22

**Finding #1**

That Purchase Order requisitions be submitted prior to any commitment of goods or services.

**Description**

Accounting practices prescribed by the Division of Local Government Services require Township expenses to follow an encumbrance accounting system. Purchases made prior to proper encumbrance of the funds can result in an over expenditure of a budget line.

**Analysis**

Transaction testing found purchases for which the invoice date was prior to the date of the purchase order. Occasionally, instances arise for which items must be purchased through verbal approval prior to entering into the formal requisition system.

**Corrective Action**

The Township has widened its use of blanket purchase orders for reoccurring purchases and vendors. The Township has communicated proper purchasing guidelines to all departments including additional training for staff. The Township will continue to train new employees on the proper purchasing protocols.

**Implementation Date** November 2023

**Finding #2**

That all bank reconciliations be in agreement with cash balances reported in the general ledger and that all interfund balances reconcile among all governmental funds.

**Description**

Interfunds should be cleared each year between the various ledgers. Bank reconciliations and general ledger balances should be in agreement.

**Analysis**

The Township has some older interfunds that have not been cleared to date and have been on the ledgers for a couple years now. Some of the bank reconciliations are not in agreement with the cash balances reported in the ledger for those funds.

**Corrective Action**

The CFO will work with the auditors in correcting the bank reconciliations with the cash balances. The CFO will also work on correcting the interfunds before year-end.

**Implementation Date** November 2023

**CORRECTIVE ACTION REPORT**  
**VERONA TOWNSHIP, ESSEX COUNTY**

Audit 12/31/22

**Finding #1**

That Purchase Order requisitions be submitted prior to any commitment of goods or services.

**Description**

Accounting practices prescribed by the Division of Local Government Services require Township expenses to follow an encumbrance accounting system. Purchases made prior to proper encumbrance of the funds can result in an over expenditure of a budget line.

**Analysis**

Transaction testing found purchases for which the invoice date was prior to the date of the purchase order. Occasionally, instances arise for which items must be purchased through verbal approval prior to entering into the formal requisition system.

**Corrective Action**

The Township has widened its use of blanket purchase orders for reoccurring purchases and vendors. The Township has communicated proper purchasing guidelines to all departments including additional training for staff. The Township will continue to train new employees on the proper purchasing protocols.

**Implementation Date** November 2023

**Finding #2**

That all bank reconciliations be in agreement with cash balances reported in the general ledger and that all interfund balances reconcile among all governmental funds.

**Description**

Interfunds should be cleared each year between the various ledgers. Bank reconciliations and general ledger balances should be in agreement.

**Analysis**

The Township has some older interfunds that have not been cleared to date and have been on the ledgers for a couple years now. Some of the bank reconciliations are not in agreement with the cash balances reported in the ledger for those funds.

**Corrective Action**

The CFO will work with the auditors in correcting the bank reconciliations with the cash balances. The CFO will also work on correcting the interfunds before year-end.

**Implementation Date** November 2023