

CORRECTIVE ACTION REPORT
VERONA TOWNSHIP, ESSEX COUNTY

Audit 12/31/25

<u>Finding #1</u>	That all requisitions be submitted prior to any commitment of goods or services.
<u>Description</u>	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.
<u>Analysis</u>	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.
<u>Corrective Action</u>	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.
<u>Implementation Date</u>	July 2026

<u>Finding #2</u>	That the Township implement procedures to ensure all grant documentation is distributed timely to appropriate departments.
<u>Description</u>	The Clerk is required to have all Township agreements.
<u>Analysis</u>	The Township had some grant awards that were not processed by the CFO prior to the closing out the general ledgers for 2025. It was found that during the audit process, when the request was made to provide documentation that neither the CFO or Clerk had received said documentation.
<u>Corrective Action</u>	Administration will work with the CFO and Clerk to ensure all grant awards and agreements will be distributed as soon as received.
<u>Implementation Date</u>	July 2026